

The **NATIONAL** **UNDERWRITER** *Life Insurance Edition*

How to Get Enthusiastic About Your Job!

Have you ever noticed how difficult it is to become enthusiastic about more than one idea at a time?

Have you ever noticed how production picks up when one particular Life Insurance idea becomes important to you?

Apparently, that's the way enthusiasm works—one idea at a time becoming all important to the salesman.

But important ideas don't just "jump out of the blue." Furthermore, sometimes a salesman will "work himself out" on one idea and thus he thrashes around to find some other idea which he can make important to himself.

It follows then that if an Underwriter wants to keep himself continuously enthusiastic about his work, he has got to provide for himself a continuous flow of new ideas—fresh ideas which are practical and are being successfully used by other Underwriters like himself.

Magazines, training courses, conventions, home office house organs all provide such enthusiasm-building ideas. But, there is probably no source of selling ideas available today which is so complete as the seven volumes of *The Diamond Life Bulletins*, supplemented by the monthly issues of the Salesmanship Section. Everything is here, and thousands of Managers and Underwriters agree with Louis Cerf—one of the greatest builders of men this business has ever known—when he said: "There is stuff in the *Diamond Life Bulletins* which is worth a million dollars to the Life Insurance salesman."

If this Salesmanship Section is already in your Agency Room, we suggest that you use it as a constant source of new, enthusiasm-building ideas. If your Agency does not have it, we shall be glad to send further information upon request.

THE DIAMOND LIFE BULLETINS
420 East Fourth Street Cincinnati, Ohio

A National Underwriter Publication

FRIDAY, AUGUST 27, 1943

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✓ Special Mortgage Redemption

✓ Salary Savings

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☆ ☆ ☆

THE STATE LIFE INSURANCE COMPANY Indianapolis, Indiana

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GLOBE LIFE INSURANCE COMPANY OF ILLINOIS

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COMPLETE LIFE INSURANCE COVERAGE—

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A. & H. Survey Is Launched by Social Security Board

**To Be Conducted by Ralph
H. Blanchard of Columbia
University**

A survey of accident and health insurance in this country is now being conducted by the Social Security Board as part of a broad program of studies in the field of social insurance.

Ralph H. Blanchard, professor of insurance in Columbia University and president of the Casualty Actuarial Society, is making the survey. He was appointed consultant for this purpose to the board's bureau of research and statistics.

A questionnaire to secure the basic experience figures of the years 1938-1942, inclusive, is being sent to all of the more than 500 insurance carriers doing an accident and health insurance business. Tabulations to be prepared from the figures obtained will show the volume of business, the allocation of disbursements, and the net underwriting results of the period.

Segregation of Business Required

The questionnaire requires separate reports on commercial, hospitalization and care (excluding group) written under separate contracts, group (including blanket), non-cancellable (broad coverage), franchise (including railroad business), monthly premium, weekly premium industrial, limited, medical payments (under liability policies) and miscellaneous business, including installment-payment and other special types, for the five years 1938-42. Disability insurance written under life disability clauses is not to be included.

Items to be reported include premiums written, losses paid (excluding claim expense), total expenses (including claim expense), acquisition expenses, dividends or other refunds paid to policyholders, increase or decrease in unearned premium reserves, loss reserves and reserves for dividends or other refunds to policyholders for the five-year period, number of policies in force (treating each certificate under a group policy as a separate policy) and number of policyholders Dec. 31, 1942.

To Be Significant Contribution

The social security act directs the Social Security Board to study and make recommendations to Congress as to the most effective methods of providing economic security through social insurance. The present survey is expected to make a significant contribution to the discussion of disability insurance which is now a subject of active public interest.

Mr. Blanchard's report—a factual statement and analysis of the methods and experience of the business—will be based on careful study of the figures and of other information which is being accumulated, together with their interpretation in the light of conditions peculiar to the accident and health branch of insurance.

The advice and criticism of men actively engaged in the accident and health insurance business will be sought. Mr. Blanchard has had many conferences with the organizations representing the accident and health carriers, as well as with the officers of individual carriers. The study has been assured the cooperation of the Bureau of Per-

Double Indemnity for Navy Man Killed at Pearl Harbor

The beneficiary of a seaman, first class, of the U. S. Navy who was killed in the Japanese attack on Pearl Harbor is entitled to double indemnity benefits under a clause that excludes liability in the event that death occurs while the insured is "engaged in military or naval service in time of war," the South Carolina supreme court has held in *West vs. Palmetto State Life*. The common pleas court for Greenville county had given judgment for the beneficiary and Palmetto State appealed.

The whole question, according to the court, is whether the insured's death occurred in time of war. The court cited various definitions of war and laid special emphasis on this sentence from a definition of war in *Corpus Juris*, 67 C. J. 336: "A court cannot, however, take judicial notice of a war by its government until there has been some act or declaration creating or recognizing the existence of war by the department of the government clothed with the war making power."

Subject to Clear Law

The court concluded that the declaration by Congress of war on Japan on Dec. 8 was the only legal way in which the United States could be placed in a state of war with that aggressor nation. According to the court, the policy contracts were entered into by the parties in contemplation of that clear law and subject to it.

The court stated it is impressed with the argument of the beneficiary that it would be as logical to contend that the attack by the Japanese fliers on the U. S. S. Panay in the Yangtze river several years before was the beginning of the present war, as to so contend with respect to the sneak surprise attack on Pearl Harbor. The incidents do appear to have differed only in magnitude and location and the declaration of war more promptly followed the latter. Japan's pretensive claim of mistaken identity in the case of the Panay has been discredited; it is believed that it was intended to test the will of the United States to resist aggression.

Basis of Palmetto's Defense

Palmetto State Life relied strongly upon *Vanderbilt vs. Travelers*, 112 Misc. 248, 148 N. Y. S. 54 and *Stankus vs. New York Life* (Mass. 1942) 44 N. E. (2d) (687). The first case involved a death upon the Lusitania sunk by German submarine long prior to the commencement of the former war and a death upon the destroyer Ruben James lost on patrol in the Atlantic months before the commencement of the present war with Germany. However, the court observed that the policy provisions in those cases were quite different from those in the Palmetto State Life contracts. In one the policy excluded liability "if the insured's death resulted from war or any act incident thereto." And the other policy denied coverage for "death resulting, directly or indirectly, wholly or partly, from war." The Palmetto State policies contained restrictive provisions effective when the insured was "engaged in military or naval service in time of war," very clearly meaning the engagement of the insured in such service of his country in time of war.

The court also observed that Palmetto

sonal Accident & Health Underwriters, Health & Accident Underwriters Conference, International Federation of Commercial Travelers Insurance Organizations and the National Negro Insurance Association.

Eureka-Maryland Control Secured by Farm Bureau Group

**Columbus Interests Ac-
quire Life Company with
\$100,000,000 Insurance**

The Farm Bureau insurance group of Columbus, O., has acquired the controlling stock of Eureka-Maryland Assurance of Baltimore.

Eureka-Maryland is an old established life insurance company, having begun business in 1882. As of June 30 it had in force approximately \$100,000,000 of business. Assets were in excess of \$11,500,000. It is licensed to operate in Ohio, Pennsylvania, Maryland, West Virginia, Virginia, New Jersey, District of Columbia, Delaware, Michigan, Illinois and California.

With the addition of Eureka-Maryland, the Farm Bureau group now has combined assets of over \$30,000,000, an annual premium income of over \$14,000,000 and more than 500,000 policyholders.

The Farm Bureau group consists of Farm Bureau Life, Farm Bureau Mutual Automobile and Farm Bureau Mutual Fire.

History of Company

Eureka Maryland traces its beginning to 1882 when Eureka Mutual Aid Society was started as an assessment association. In 1902 it was converted to a legal reserve basis, continuing as a mutual company and the name was changed to Eureka Life. In 1918 it became a stock company.

In 1924 Eureka Life reinsured Maryland Assurance, which started as a running mate of Maryland Casualty.

As of Dec. 31, 1942 assets were \$11,179,061, policy reserve \$9,731,330, capital \$250,000 and net surplus \$733,390. Its ordinary business in force was \$60,490,321 and industrial was \$36,563,042. J. N. Warfield is the president. The vice-presidents are A. W. Mears, J. S. New and T. J. Mohan. A. V. Weaver is treasurer, H. W. Ullman, actuary.

Prudential Adopts 42-Hour Week for Home Office Area

NEWARK—Prudential has filed a program with the War Manpower Commission, setting up a 42-hour work week, to spread over 5½ days a week, for its 9,712 employees in Essex, Hudson and Union counties, N. J., starting Sept. 15.

To Release Many Employees

Under the new program working hours will be the same, except that on Saturday they will be from 8:10 to 11:40 a. m. It is expected that the new order will release at least 500 employees to war jobs. It will pay time and a half for over 40 hours.

In filing the plan, Prudential was represented by Vice-presidents George E. Potter, Robert M. Green and Carrol M. Shanks.

State knew of the insured's naval service and accepted premiums with such knowledge from 1939.

Broadus F. West was the insured. Attorneys for the beneficiary were Wyche, Burgess & Wofford of Greenville and representing Palmetto State were Ashley C. Tobias, Jr., of Columbia, S. C., and Love & Thornton of Greenville.

Spain New Head of Bar Association Insurance Section

**Large Turnout Studies
Air Transport and Future
of State Supervision**

Frank E. Spain of Birmingham was elected chairman of the insurance section of the American Bar Association at the close of the annual meeting in Chicago this week. He succeeds Chase M. Smith, Chicago, vice-president of National Retailers Mutual, who conducted one of the most successful and best attended meetings in the history of the law group.

Henry S. Moser, prominent Chicago attorney and counsel for the Allstate companies, and J. H. Schisler, Baltimore, assistant general counsel Fidelity & Deposit, were elected vice-chairmen. J. F. Handy, Springfield, Massachusetts Mutual Life, was reelected secretary and O. H. Miller, Des Moines, and R. H. Kastner, Chicago, associate general counsel American Life Convention, were elected to the governing council.

Aviation Issues Prominent

The meeting, which last year few believed would be held, attracted a large crowd and was marked by high interest in the group discussions. As was the case with the International Association of Insurance Counsel late in June, the insurance attorneys ranked the air transport industry high on their list of future problems and the round table of the air insurance law committee was of paramount interest. Another large crowd turned out for the final session, at which Congressman Jennings Randolph discussed the same subject and Commissioner J. B. Gontrum of Maryland spoke on federal versus state supervision of insurance.

The insurance section, which is now the largest group in the American Bar Association, has no formal registration, but the attendance obviously exceeded past meetings and the ball room of the Medinah Club was jammed for the banquet, which offered a floor show and no speakers. It was preceded by a reception provided by Chicago insurance companies.

Jones Welcomes Group

Insurance Director Paul F. Jones of Illinois, a member of the organization, was the opening speaker, pointing out that attorneys are the only group in the United States in private business who are required to take oath to support the federal constitution. He said that the prime task of attorneys now is to prepare for orderly demobilization of emergency powers once the war is won. He also called insurance the greatest example of successful free enterprise under all conditions, however adverse. Half our population carries life insurance and every man, woman and child is affected directly or indirectly through the various lines. Further, by investing over half their current income in government securities, the insurance companies are fighting a great battle against inflation.

Col. H. H. McCoy, Washington, director of insurance of the Veterans' Administration, was the other speaker on the opening program, which was con-

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Million Dollar Round Table is Largest Ever

Program plans for what is expected to be the largest gathering of the Million Dollar Round Table in Pittsburgh, Sept. 13 have been announced by Ron Steyer, Equitable Society, Pasadena, chairman of this year's Round Table.

Round Table members will arrive in Pittsburgh, Sept. 11 and the week-end will be given over to informal discussions led by Denis B. Maduro, New York tax and estate attorney. The evening of Sept. 12 they will be guests at a dinner given by Reliance Life.

The all-day session of the Round Table Monday, Sept. 13, will open with a breakfast at the William Penn Hotel, and the morning session will take the form of a panel discussion under the leadership of Chairman Steyer. Discussion leaders will be: Grant Taggart, California-Western States Life, Cowley, Wyo.; Robert P. Burroughs, National Life of Vermont, Manchester, N. H.; Howard D. Goldman, Northwestern Mutual Life, Richmond; Russell C. Whitney, Connecticut Mutual, Chicago, and Edward Choate, New England Mutual, Los Angeles.

H. T. Burnett Luncheon Speaker

Herman T. Burnett, vice-president of Reliance Life, will be the guest speaker at the luncheon on Monday. Jay N. Jamison, executive vice-president, and Robert C. Kneil, assistant vice-president of Reliance Life, will be honored guests.

The feature of the afternoon session will be an address on pension trusts by Mr. Maduro, followed by an open forum on that subject.

The executive committee, composed of Chairman Steyer; Alfred J. Ostheimer, III, Northwestern Mutual, Philadelphia, vice-chairman; John Clayton, Mutual Benefit, Newark, and Mr. Burroughs, will meet Sept. 10 and following the close of the formal program Sept. 13, the new executive committee will meet to lay plans for the coming year.

George W. Stewart, Penn Mutual, Pittsburgh, is in charge of local arrangements.

The Million Dollar Round Table hour at the meeting of the National Association of Life Underwriters in Pittsburgh will be held Sept. 16, with Mr. Steyer as chairman. Speakers will be George W. Stewart, Pittsburgh, and Loren D. Stark, Connecticut Mutual, Houston, past chairman of the Texas Leaders Round Table.

Membership at New High

The 1943 Million Dollar Round Table membership of 230 is the largest in its history. It includes 90 qualifying members, 44 life and qualifying and 96 life members. Life membership in the Round Table is gained by virtue of qualification for three consecutive years. Fourteen men listed this year are in service.

Since no meeting of the Round Table was held in 1942, the 42 men who qualified last year but failed to qualify in 1943 have been invited to attend the meeting in Pittsburgh.

The complete membership this year is as follows:

Qualifying—Roswell P. Bagley, Northwestern Mutual, Buffalo; Harry N. Balch, John Hancock Mutual, New York; Meyer L. Balser, Massachusetts Mutual, Atlanta; Paul B. Banks, United Benefit Life, Philadelphia; Harold L. Barnett, Northwestern Mutual, New York; Jacques Barr, Mutual Life, Chicago; Bronson S. Barrows, Northwestern Mutual, St. Louis; G. Nolan Bearden (lt. in navy), New England Mutual, Los Angeles; Fred Brand, Jr., Connecticut Mutual, Pittsburgh; Robert W. Brooks, New England Mutual, Erie; Guy S. Burtis, Connecticut General, Chicago; Tressler W. Callihan, Home Life, Boston; Richard W. Campbell, Fidelity Mutual, Altoona; James T. Causey, Mutual Benefit, Columbus, Ga.; Harold M. Charlap, Sun Life of Canada, Philadelphia; Edward Choate,

New England Mutual, Los Angeles; William T. Cline, John Hancock Mutual, Chicago; J. Welldon Currie, Mutual Benefit, New York; Edwin G. Davies, Manufacturers Life, Los Angeles; Harold T. Dillon, Fidelity Mutual, Atlanta; Samuel Dublirer, National Life of Vt., New York; J. Milton Edelstein, Massachusetts Mutual, Chicago; Paul D. Fassoth, Mutual Benefit, Los Angeles; Israel C. Feldman, Equitable Society, Philadelphia; Fred W. Felkel, Protective Life, Anderson; David B. Fluegelman, Northwestern Mutual, New York; Raymond W. Frank, State Mutual, Chicago.

Also Edwin T. Golden, New York Life, San Francisco; Howard D. Goldman, Northwestern Mutual, Richmond; Theo. M. Green, Massachusetts Mutual, Oklahoma City; Thomas E. Hand, Connecticut Mutual, Houston; William B. Hardy, New England Mutual, Cincinnati; Jackson Harrow, United Benefit, Beverly Hills; W. Alfred Hayes, Sun Life of Canada, St. Louis; Ralph H. Henshaw, Union Central, Philadelphia; William S. Herschman, Northwestern Mutual, Baltimore; Edwin S. Hewitt, independent, Chicago; R. A. Hilliard, Reliance Life, Asheville; Robert M. Hirsch, Mutual Life, Chicago; Jack Hoffman, Equitable Society, Philadelphia; Charles L. Howson, Travelers, Memphis; H. Grice Hunt, Provident Life & Accident, Greenville; Emanuel A. Hyman, Mutual Life of New York, Baltimore; Newton H. Johnson, Aetna Life, Toledo; Herbert P. Karlsruher, New York Life, New York; Dr. Howell A. King, Mutual Benefit, Baltimore; Charles L. Kluss (in service), independent, Chicago; M. C. Kramer (in service), Union Central, Chicago; Charles L. Langs, Home Life, Detroit; William Lies, Jr., Mutual Benefit, Coleman, Ga.; Ralph H. Love, Connecticut Mutual, Cincinnati; George J. Lucas, New York Life, Sioux Falls; Lantz L. Mackey, Home Life, Detroit; David Marks, Jr., New England Mutual, New York; F. Raymond Marks, New England Mutual, Chicago; Jack N. Meeks, New England Mutual, Columbus; William L. Meissel, Massachusetts Mutual, New York; Augustus J. Merkle, Jr., Mutual Benefit, Atlanta; Vincent A. Milotti, Northwestern Mutual, Newark; Leo P. Mirsky, New England Mutual, New York.

Also John E. Norman, independent, Miami; A. Jack Nussbaum, Massachusetts Mutual, Milwaukee; Gordon D. Orput, New England Mutual, Eugene; Albert M. Otterbourg, Northwestern Mutual, New York; Comer C. Pierce, Massachusetts Mutual, Jacksonville; Leland A. Prowse, Sr., Southwestern Life, Corpus Christi; Carl D. H. Prussing, Connecticut General, Philadelphia; James F. Ramsey, Mutual Benefit, Chicago; Robert U. Redpath, Jr., Northwestern Mutual, New York; Edward J. Riley, Mutual Life of New York, Fair Haven, N. J.; Louis Rotenberg, Occidental Life, Toronto; Lloyd C. Saunders, Massachusetts Mutual, Providence; Charles Schiff, Mutual Life, New York;

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Slated for President of Am. Society C.L.U.

M. Luther Buchanan, who has been nominated for president of the American Society of Chartered Life Underwriters, is connected with Union Central Life in Boston and recently established the Buchanan's Estate Service. Mr. Buchanan received his C.L.U. designation in 1933 and became president of the Boston C.L.U. chapter in 1938. He also served as president of the Boston Life Insurance & Trust Council and is now an instructor in C.L.U. courses at Boston University. He is presently vice-president of the American Society C.L.U.



M. L. Buchanan

Haul for Paul



PAUL McNAMARA

North American Life of Chicago agency force adopted the slogan for August, "Make It a Haul for Paul." The traditional Paul McNamara silver platter and many other attractive prizes are being offered to the leaders. His birthday anniversary falls Aug. 31. A special week birthday drive is being held the last week in August. Mr. McNamara, vice-president of the company and agency head, attended the University of Chicago and the Drake University Law School. He has been with North American Life since 1916, starting as an agent and advancing along the line, being elected vice-president in 1927. He is the son of the founder of the company, John H. McNamara.

May Amend Annuity and Insurance Rules on Pension Trusts

WASHINGTON—It is understood by insurance interests here that the Treasury Department is working on decisions intended to correct the present pension trust regulations with reference to measurement of cost of the insurance feature of a contract containing both annuity and insurance features.

Meanwhile, the salary stabilization unit of internal revenue bureau is awaiting word from Judge Fred M. Vinson, economic stabilization director, on the protest of life insurance interests against the proposed limitation in the 5% insurance plan regulations, ruling out such payment in behalf of one or a selected few employees, also against retroactivity of the proposed ban on endowment and limited payment policies under the 5% plan.

Salary stabilization unit officials decline to elaborate upon their position regarding these points, which might be decided by Judge Vinson as a question of policy without consulting them. They still insist that insurance under the 5% plan should be limited to the ordinary or whole life type, but have nothing to say on the question of retroactivity.

Reported plans for legal battles over these features do not alarm officials, who say they are used to such talk with respect to almost any and every regulation.

F. W. Ruegg Heads License Unit in Ill. Department

Fred W. Ruegg of Carlinville, who has been assistant supervisor of the license division of the Illinois department since 1941, has been promoted to supervisor of licenses succeeding F. C. Baker of Centralia.

Mr. Baker is returning to southern Illinois to resume his former position as investigator for the department.

Radio Used to Transmit Apps from Philippines

Governmental Insurance Head Tells How New Problems Are Met

How problems of handling National Service life insurance have been met, including the use of radio to transmit applications and claim data when mail communication was impossible, was described by H. L. McCoy, director of insurance, U. S. veterans' administration, in his talk before the insurance section of the American Bar Association. Mr. McCoy also outlined the benefits to which service men are entitled, both under government life insurance and under pension, disability and hospitalization benefits.

Describing the emergency use of radio facilities in connection with insurance matters, Mr. McCoy said that shortly after war was declared, a procedure was adopted which provided for reporting by radio applications for insurance, giving name of applicant, amount of insurance and beneficiary information. This plan permitted persons in isolated or beleaguered places to have their insurance made of record immediately even though the signed applications either could not be transmitted or ran great risk of loss in transmittal. In event of death, claims could be paid without delay upon the basis of the radio reports. About 25,000 applications were reported in this manner from the Philippine Islands after their invasion and isolation by the Japanese forces, and many claims have been paid upon the basis of records procured by radio.

Got Philippine Applications

Just recently the Veterans Administration received nearly all of the original applications signed by members of our forces in the Philippines which had been reported by radio over a year ago. Col. R. G. Jenks, the officer to whom these records were entrusted, managed to carry them with him by submarine to Australia and later brought them to the War Department in Washington.

It has been the constant endeavor and purpose of the veterans administration to handle the insurance program so that persons in the service may enjoy the maximum of protection which these liberal laws afford. One phase of insurance work which is of interest to all insurers is that dealing with the cases of missing persons. Due to the nature of the warfare now being waged, in which ships and planes travel many thousands of miles to accomplish their missions, it is much more difficult to secure definite information as to personnel engaged in combat activities than is the case in warfare confined to limited and definite areas.

Legislation Was Inadequate

At the time of the outbreak of the war, there was no legislation which in the opinion of the military and naval services provided an adequate and satisfactory method of handling cases of persons reported as missing or missing in action under the conditions faced in this war. A very large percentage of the members of the armed forces have made allotments from their pay for the support of their dependents and the payment of insurance premiums. Of course, upon the death of a person in service, his pay and allotments therefrom cease, and his dependents usually become entitled to insurance and in most cases,

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Some Firms Not Waiting for O. K. on Pension Plans

Relying on New Regulations, They Feel Warranted in Installing Systems

Quite a number of employers are going ahead and installing pension trust and group pension plans even though it has been virtually impossible to get any approvals from the Treasury since February. On the basis of the new regulations these employers feel sufficient confidence that their plans conform with the spirit of the regulations that they do not wish to delay adoption any further. They anticipate that approval will involve minor changes, if any.

Most pension trust experts now feel that even if the pension plan conforms to the statutory basis laid down in the law the plan should be submitted for Treasury approval. No employer should risk the possibility that in a year or so an internal revenue examiner will come in and start to argue about the basis of the pension plan. In some cases the employers have gone ahead and set up their plans feeling that it was such a desirable step that they would proceed even without the tax incentive. However, for most firms the tax advantage is a major factor which they can ill afford to pass up.

Predict Big Rush

It is predicted that as soon as the Treasury begins approving plans there will be a tremendous rush to close cases that are now hanging fire. While it will not be safe to count on approval just because a plan is copied exactly from one that has been approved it will be extremely useful to have approved plans as guides.

The reason why an approved plan cannot safely be used as an exact guide is that Treasury officials will not only view the provisions of a plan but will scrutinize the way in which the plan may be expected to work out. Thus, an approved plan if applied to another company having different circumstances would be disapproved if these circumstances resulted in the plan working out to the advantage of the executives, stockholders, or highly paid or supervisory employees.

Agents' Earnings Uncertain

One confusing point about the present situation from the agents' point of view is that with so many pending cases it is impossible to say which will go through and which will strike a snag, either because of the Treasury's disapproval or because of the employer's cooling off. Thus, many agents who have spent a great deal of time working on pension trust cases do not have a very accurate idea of how much money they are likely to make this year.

A problem that bothers many life company executives who are looking ahead to a radical change in the tax situation after the war and consequently in the tax incentive for pension plans and also to the possibility of reduced earnings among many now prosperous firms is the danger that many pension plans now being enthusiastically adopted will be junked after the war. Some companies definitely discourage a corporation from assuming a larger outlay for a pension plan, either by itself or in combination with life insurance, than the firm can reasonably expect to con-

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Possibilities in Pension Trust Field Not Exhausted

NEW YORK—The present tax situation lends emphasis to a consideration of pension trust plans by employers and agents should point out to them that they are now on a five year tax basis, getting full benefit of pension trust deductions if they have only one good year out of five, Gustave Simons of Simons & Greeley, well known pension trust and tax attorneys, pointed out in discussing pension plans and taxes at a meeting arranged by F. S. Goldstandt, general agent of Equitable Society. This consideration is important because of the 90% excess profits tax, 20% withholding tax, rising costs of living, salary stabilization regulations and the recognition of such a plan as a factor in renegotiation.

Pension trusts are an excellent field of activity for an agent, Mr. Simons said. At a recent trade association meeting with representatives of 46 substantial firms present, 2 firms already had plans in operation, 2 had plans in the formative stage, 1 was thinking about it, and 41 were ignorant on the subject, all being able to use a plan to advantage, Mr. Simons stated. Pension payments are as necessary as any other benefits and are of importance in a post war period. He urged agents to keep alive contacts outside of New York.

Each Has Own Background

Each firm has its own background and the pension trust plan should be integrated with its particular tax and salary stabilization problems. The more employees included in a plan, the better the agent can do for the top men. Pension trusts are a means of leveling out peaks and the valleys in business cycles and the government recognizes that function. According to Senator George, they perform a real social function and

give the employee a sense of security which a totalitarian state promises, but doesn't fulfill.

It is necessary, Mr. Simons said, to understand the abuses from which pension trust plans have suffered. A happy medium strikes a balance between those plans giving a preponderance of the benefits to the wage earners on the one hand and a preponderance to executives on the other. A qualified plan may either be an A plan or a B plan. The A plan is provided for under section 165a(3)(A) covering 70% of a base group, permitting the exclusion of employees with less than 5 years service and part time and seasonal workers. A B plan may be any other plan satisfactory to the commissioner as not too favorable to more highly paid employees or stockholders or executives.

Question of Discrimination

Discussing the question as to what constitutes discrimination, Mr. Simons said a plan is not discriminatory merely because it excludes those who earn less than \$3,000 annually, or if it includes salaried employees and not wage earners, or if the benefits are proportionate to compensation.

An A plan does not require the approval of the commissioner, but a B plan must have such approval. The commissioner's decisions as to B plans are not reviewed unless there is manifest abuse. Agents should feel much safer under an all-inclusive plan. Inclusion of a broad personnel under salary stabilization and tax regulations is not as costly as it might seem at first blush. It is well for the agent, he said, not to accept a statement from the employer as to those employees he desires to restrict the plan to. The agent should get

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War Has Impact on Group Insurance, Collier Shows

New Legal Interpretations Given at Chicago Meeting of Bar Group

War and mobilization of manpower and industry have had a striking effect on group life insurance, Abram T. Collier, assistant counsel, John Hancock Mutual Life, told the life insurance law round table meeting of the insurance section of the American Bar Association at Chicago in a talk on "The Group Policyholder's Interest in Labor Law." The government through wage stabilization and tax policies has recognized the great need for insurance protection and encouraged its growth. The war department group insurance rating plan prescribes terms on which group insurance may be written if a policyholder is to receive credit for premiums paid while he is working on cost-plus contracts. The relationship between group insurance and employment contracts together with various state and federal labor laws has been spotlighted.

"It is this relationship between the group policyholder and his employees which has often been obscure not only to the employer, but also to counsel who have been asked to advise on specific problems," Mr. Collier said. "There is an unexplained paucity of judicial authority and administrative ruling sometimes fail to show a full understanding of the interests of the many parties inevitably concerned. . . . Reasonable trepidation must therefore give way to unreasonable temerity as we propose to consider the relationship of group insurance to (1) contracts of employment, (2) the disposition of dividends by the employer, (3) the requirement of participation in the group plan as a condition of employment, and (4) the reemployment provisions of the selective service act."

Frequently Before Courts

While courts often have been called upon to determine the nature of the relationship between the group policyholder and his employees, they usually have considered it in terms of agency, and different results have been reached, depending on the precise issue and facts of each case. These cases, however, are brought by the employees or beneficiaries against the insurers and decide only the power of the employer to bind one party or the other. Authorities are much more rare which deal with liabilities of the employer as a principal rather than as an agent. The few cases which have arisen are concerned with the question whether group insurance is a part of an employee's compensation or of his employment contract. Courts have treated group insurance, whether contributory or noncontributory, as a gratuity given by employer to employee.

Oral Arrangement Unwise

Many difficulties may arise from the common practice of employers hiring individuals orally at a given wage but without agreement with respect to duration or other conditions of employment. It has usually been held that even though compensation for a given period, such as a week or a month, is specifically agreed upon, it is terminable at the will of either party. If employment as a whole is terminable at the will of the employer, Mr. Collier said, it follows that the employer also may terminate at

(CONTINUED ON PAGE 18)

"MISSING"

In June of 1940, a year and a half before Pearl Harbor, one of our underwriters talked to a young American clerk and induced him to start thinking, at age 23, of the need he would have at age 60 for retirement income. The sales talk ended with the clerk buying a retirement income policy of \$5,000, with that 37 year look-ahead toward 1977.

When we went into the war, the clerk became a lieutenant in the U. S. Army, and was sent to the South Pacific with the Engineers. Before long he was reported "missing."

The next heard of him was through the International Red Cross, which reported that he had become a prisoner of war and had died of malaria in the enemy's prison camp in May of 1943.

Three years' premiums totaling \$514.80 had been paid on the retirement income policy. It was payable as a death claim to his mother as beneficiary. She is to receive 120 monthly checks of \$50.34 each. Should she herself die before receiving all the 120 instalments, the commuted value of the remaining instalments will be payable to her estate.

* * *

THE PENN MUTUAL LIFE INSURANCE CO.

WILLIAM H. KINGSLEY
Chairman of the Board

JOHN A. STEVENSON
President

INDEPENDENCE SQUARE, PHILADELPHIA

Insurance Fathers Are Unsettled

Many Are Still Undecided on What Move to Make

A number of pre-Pearl Harbor insurance fathers have taken employment in war industries during the past week. Several of them report that they were welcomed with open arms by the personnel department of war plants and were urged to bring their friends along. Some of these men, particularly in the agency end, have made arrangements to spend a few hours each day at their insurance offices. Several are taking training courses at the plant before actually going on the production line.

Just how much of a draft deferment these men will gain remains to be seen. The War Manpower Commission put out a release consisting of questions and answers based on the changes in the selective service rules. It is stated that the most recent plan is intended to hold essential workers on war-useful jobs if that is where they are employed now, to assure the transfer of workers to jobs aiding in the war effort and to supply men needed for the armed forces without cutting war production.

One question in the WMC release that touches upon the situation of insurance men is:

"What is the status of registrants whose activities and occupations are not included on the list of essential activities and occupations nor on the list of non-deferrable activities and occupations."

Occupational Status

The answer is that the inclusion of a registrant's employment on the list of essential activities and occupations or its omission from that list and also, from the list of non-deferrable activities and occupations does not conclusively determine his occupational status. The question to be determined by his local board, in consultation with the U. S. employment service and other national, state and local agencies, is whether or not the registrant is needed in his current occupation in support of the war effort. If the board so finds, when the registrant is called by his order number for possible induction into the armed forces, the board can defer him.

Insurance men who contemplate switching to direct war employment are wondering whether the fact that they are comparatively new on the job would not mean that their deferment would be but little longer than if they remained at their insurance work. The WMC releases a question and answer that bears on this point.

"Is skill or irrepleability the basis for occupational deferment?" is the question.

Both Factors Considered

"Both factors are to be considered," is the answer. "A skilled workman is usually more difficult to replace than an unskilled one, but an unskilled worker may be deferred if his induction would vitally interfere with war production. The controlling factor is the immediate need. Local boards are instructed to take into account not only the national shortage in a registrant's skill, but also available replacement for even unskilled workers and current local shortages of skilled or unskilled workers in war supporting industries."

Personnel departments of war industries have told insurance men who have inquired that they cannot be certain of deferment, that if they prove efficient and useful the employer will do his utmost to hold them, but that in the past the employer has been turned down as frequently on requests for deferment as he has been supported.

Many pre-Pearl Harbor insurance fathers are remaining on the fence for the time being but as the October dead-

Procedure Forum on Metropolitan Leads. CLU Candidates

Out of 160 Who Completed the Degree in June, 43 Were "Mets"

At the practice and procedure round table of the insurance section of the American Bar Association in Chicago this week, Samuel Levin, Chicago attorney, gave a thorough study of federal rule 43, on the admissibility of evidence, reviewing opinions of leading scholars for and against this rule.

The rule, Mr. Levin explained, briefly provides that evidence is admissible if it might be admitted either under previous federal law or equity rules or under the rules of the state in which the action is tried. The same principle applies to the competency of a witness to testify.

Mr. Levin quoted a number of authorities to the effect that the purpose of this rule is to remove technical barriers to hearing evidence, but not to let the bars down completely, in order to protect parties against purely prejudicial evidence. Although one authority has severely criticized the rule as confusing and leaving attorneys in the dark as to what may be admitted, Mr. Levin pointed out that decisions on this rule show it has worked no hardship and has been well handled by the courts.

W. E. Benoy, Columbus, chairman of the practice and procedure committee, presided. Other participants were G. J. Cooper, Detroit, who discussed third party practice; John Martin, Philadelphia, summary judgments, and J. A. Gooch, Ft. Worth, depositions.

Globe Life Takes Over Tri-State Mutual Life

Globe Life of Chicago has reinsured Tri-State Mutual Life, of Carthage, Ill., a fraternal. Tri-State had \$2,752,304, insurance in force at the end of the year. There was paid in by members in 1942 \$129,843. Its total income was \$134,785, paid members \$41,552, total disbursements \$51,819, assets \$280,783. Its surplus was \$55,458. Zwingle Horrell in charge of production, joins Globe Life and will look after the Tri-State organization. Several lodge secretaries will go with Globe.

Tri-State was founded in 1908. It is licensed only in Illinois. Its solvency ratio is 122.19%. C. E. Britt is president and Zwingle Horrell has been secretary for seven years. All its insurance is written on the American experience 3½% basis.

Globe Life now has about \$26,000,000 of insurance in force and assets of approximately \$5,000,000. It has maintained its home office in the Manhattan building in Chicago ever since it was organized in 1895.

It recently established a home office branch in the One LaSalle street building, Chicago, with G. L. Wartell in charge. Globe Life operates only in Illinois. It has established an enviable record for claim payments.

line approaches, and if it appears certain that the present program is actually to be put into operation, there may be quite an exodus from insurance offices to war plants.

A good many insurance fathers, who are now considering factory work, have applied unsuccessfully for navy or other commissions. They are not seeking to shirk their duty but they are anxious to avoid putting their families on a private's pay.

Last week the WMC added to its list of essential occupations "accident and fire prevention services" under the broad heading of "Health and welfare services." This is the first time that any official, specific recognition has been given to fire and accident prevention experts and it is gratifying to insurance interests that they are given promise of being able to retain their real technicians who could not be replaced under today's conditions.

proportion of candidates who were successful in the examinations—was 66.2% as compared with a ratio of 65.4% for the candidates from all companies who sat for the examinations.

Of the 43 men from Metropolitan who completed the course in June, two were managers, 14 assistant managers, 15 agents, 1 a field clerk, and four were in supervisory positions in the field training and field management divisions. The remaining seven were among the home office personnel.

NOW 181 N. W. MUTUAL C.L.U.s

There are now 181 representatives of Northwestern Mutual Life who have completed the C. L. U. examinations, 13 recently passing their final examinations to make the largest class since 1940. Holders of the designation have for 10 years maintained the C. L. U. Society of Northwestern Mutual Life.

Nearing \$500,000,000 Mark

Jefferson Standard Life has in mind reaching \$500,000,000 insurance in force by the end of the year. During the last few years it has enjoyed great success. At the end of 1942 it had in force \$470,330,637, at the end of 1941, \$450,627,700, at the end of 1940, \$422,319,191. It has made consistent gains in insurance in force and if its pace is kept up as it has in the past it undoubtedly will reach its goal by Jan. 1.

FLASH
TO THE MEN IN THE FIELD

A Helping Hand ...to the Navy

The Office of Naval Officer Procurement didn't even have to ask us! Commonwealth learned that in over-crowded Louisville the officer in charge was looking for a base of operations and Commonwealth jumped quickly to the rescue.

So now in the Commonwealth home office, on the second floor with the agency department, we have the Navy! And for as long as the Navy wants to stay.

This evidence of cooperation with the armed forces represents just one of the many ways in which this company is helping to speed the victory.

WHERE QUALITY MEN ARE BUILDING QUALITY VOLUME

Commonwealth
Life

MORTON BOYD, PRESIDENT

HOME OFFICE LOUISVILLE

Unlicensed Medical Plan's Head Jailed

One-Man Concern Operated Six Years Without Paying a Death Benefit

NEW YORK—As the result of an investigation initiated by the New York department, Joseph L. Sherin, operator of an unlicensed medical care and funeral benefit outfit, was sentenced in the court of special sessions to six months in the workhouse. Sherin had operated this racket, which he called "The Community Group," since 1937 but his luck had been so good that he was never called upon to pay off under the death benefit provision, which called for quite an elaborate funeral.

Sherin's conviction was played up prominently by the New York papers, some of them using it as a feature story under a two-column headline. Because of the type of people among whom concerns of Sherin's type operate it has been difficult to get complaining witnesses to show up in court to testify. The New York department hopes that as result of the publicity Sherin's conviction received people who have been taken in by these outfits will become aware of the character of the coverage and will report the operators to the department. As was mentioned in THE NATIONAL UNDERWRITER some weeks ago, many of these unauthorized medical and hospital care plans have sprung up in the wake of the popularity of legitimate plans. Acting Superintendent Cullen is making a drive against unauthorized concerns of this type and the department will undoubtedly crack down on other operators of Sherin's type in the near future.

Paid Doctor Nothing

Though Sherin said he had a working arrangement with a doctor, a dentist, and several oculists he was not obligated to pay them anything for work they did. The doctor was supposed to give free medical service but was not prevented from charging what he pleased for medicine, which usually ran about \$2. On learning of this one of the justices of the three-judge court remarked, "Of course, these people always needed medicine." The dentist and optician were supposed to do work at reduced rates, the dentist supposedly charging half his "regular" rate.

Sherin's "community group" had as high as 500 members at one time and during the six years he operated it he was estimated to have taken in between \$15,000 and \$20,000. This was practically entirely personal income for himself, for his office was in his hat and his only expense was for printing up his impressive looking policies, which were embellished with a red seal. He charged policyholders 50 cents a month.

The death benefit was a highly contingent affair. If the member was age 56 or younger when he entered the plan, and if the insurance had been in force 120 days or more, and if in the event of the insured's death his representative paid \$10 to Sherin, the decedent would be entitled to a "complete, dignified funeral, consisting of care of the body, crape on the door, or use of chapel (if desired), oak or plush casket (satin lined), satin pillow, wreath of flowers, a hearse to the burial ground and one coach for the family to and from the burial ground, provided the same is within the limits of New York City." If burial were to be outside New York City a pine box would be furnished for the casket and the body would be taken to any point in the city from which shipment was to be made.

C. J. Rubino, assistant district attorney attached to the frauds bureau, handled the case for the district attorney's office after the matter had been placed in his hands by Henry N. Smith,

attorney of the complaint bureau of the insurance department.

The investigation disclosed that Sherin had just completed a four-month workhouse sentence for petty larceny, a policyholder having complained when he failed to receive back his proper change from a \$5 bill after paying a premium, according to the police. The police also said that Sherin had received suspended petty larceny sentences in 1926, 1927 and 1928. The "community group" had both white and Negro policyholders on its books.

Two App-a-Week Veterans

C. S. Schilling, general agent of Ohio State Life at Newark, O., and Martin J. Lesnak of the Youngstown agency have completed ten years in the company's App-a-Week Club. Mr. Schilling has been a member of the Ohio State Life Honor Club 23 years and Mr. Lesnak 17 years. Both have served as officers of the Honor Club.

Mutual Life Gives Mortality Figures for Six Months

Coronary artery disease continues to be the number one cause of premature death in the United States, according to Mutual Life, which bases its conclusions on an analysis of deaths among its million policyholders for the first six months. Approximately 12% of the premature deaths resulted from this disease alone. While the causes of coronary artery disease are not fully known, it is believed that excessive use of tobacco, excessive drinking, overweight, and "high living" in general may be contributing factors.

Cancer continues to rank second as a cause of premature death, accounting for 6.6% of all premature deaths among policyholders, while chronic heart dis-

ease ranks third and accounts for 4.7% of such deaths. War casualties among Mutual Life policyholders during the first half of 1943 were less than 4%.

Deaths from suicide among all policyholders during the first six months of 1943 were just half what they were in the corresponding 1942 period. The decrease is attributed in part to improved income conditions, widespread employment, and the fact that in time of war people are less apt to brood over their real or imagined troubles.

Want Committee Enlarged

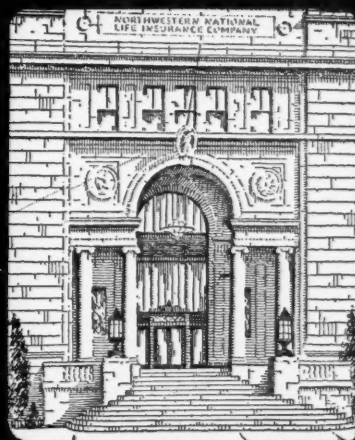
Some members of the American Life Convention are advocating the enlargement of its executive committee in order that more sections of the country can be represented. At present there are seven members including the president. The ex-presidents constitute members of the committee without voting power. This gives the committee a broad scope so far as representation is concerned.

Today, More Than Ever . . .

THE DOORWAY TO OPPORTUNITY

The Arnold System of compensation, which rewards the agent primarily not for the amount of new insurance he sells, but for the quality of service he renders, has since its inauguration in 1939 substantially bettered the financial outlook of established NWNL agents and their standing in their respective communities.

In extending the principles of the Arnold System to new agents, NWNL has put into action a well-rounded program designed to reduce to a minimum the normal risks of the early "learning period" on a new job. Under this program new men of ability may qualify quickly for Home Office training at Company expense under experienced instructors and go back to the field with assurance of a definite minimum income paid for servicing business already on the books. There is ample evidence that this program—coupled with a Continuous Training Program for older fieldmen—is working hand-in-hand with NWNL's soundly conceived compensation system to make a happier, more prosperous agency organization. At the right are a few comments by NWNL fieldmen telling how they have translated their Home Office study and continuous field training into sounder, more effective working habits leading to greater profits and satisfaction in their career.



What NWNL men report on results of their training . . .

● "The effect of the hours spent absorbing this training was to increase my average size policy to around \$6,500 with a consequent increase in dollar earned commissions. By applying these practical ideas I have been able to capture an unsuspected market, and each week finds me with a larger number of qualified worthwhile leads and prospects."

—NWNL Agent in Minnesota

● "The reading and rereading of the Guide is worth its weight in gold. It has taught me to see a situation where I could never see one before and has put money in my pocket at a minimum of time and cost. The proof of this is that I have put out in cash only \$61.53 to produce \$101,964 of business since I returned from the school the 19th of April."

—NWNL Agent in Montana

● "The conscious effort of building and controlling a market is a thrilling adventure in life underwriting, and has been stimulated and guided by this training . . . The market is here and I intend to control it."

—NWNL Agent in Washington State

Northwestern National Life

INSURANCE COMPANY

OF MINNEAPOLIS

O. J. Arnold



President

Congressman Gives Washington View

Hubert Ellis Tells Some of the Trends of the Federal Government

Hubert S. Ellis, Huntington, W. Va., former local agent and former secretary of West Virginia Association of Insurance Agents, now a member of Congress, spoke before the West Virginia agents annual meeting, giving some views as to insurance as seen from Washington. He said that the trend of the administration in regard to business is definitely socialistic. It has been continuously that way during the last 10 years, he said. While the government has not reached insurance to any great extent, yet it has entered many other private fields.

The present Congress, said Mr. Ellis, has shown more independence than former ones. In his opinion it will be more so when the members return to Washington. For instance this Congress eliminated the Home Owners Loan Corporation, Federal Crop Insurance Corporation and almost liquidated the Federal Farm Bureau.

Among other features he referred to the Wagner act or the "Cradle-to-the-Grave" bill, which according to its sponsors has a leveling process. He said it is a very complicated social security program and he does not think it skipped anything. To enable such a scheme to be maintained he said the payroll tax must be jumped up to 6 or 7%. Today it is limited to 3% for employer and a like percentage for the employee.

Credit for the plan, he said, goes to a Mrs. Burns from England. An uncle of the President was one of the chief factors. Mrs. Burns brought the report from London and Congressman Ellis said that it looked like a large package of wall paper samples. It was the most enormous job of printing he has seen since he has been in Washington. He said this woman had plenty of work to do to get the report out.

Takes Care of Foreigners

The speaker said that many of the people who have come over from Europe during the last three or four years are holding policy making jobs in the federal government. Mrs. Burns, who arrived here in 1935 draws \$8,000 a year. Then Mr. Ellis referred to Mr. Galbraith, a Canadian age 31, who has come here and draws a handsome salary. Mr. Ellis said, "Someone has the talent for getting hold of crackpots. If we cannot find them in this country we go abroad to hunt them."

The speaker was outspoken in his denunciation of the effort to run everything by bureaus. He said that the government is endeavoring to eliminate newspaper and magazine advertising. It has been shooting at the newspapers during the entire administration period, he added. Now it is endeavoring to cut down newsprint, thinking there will not be sufficient room for advertisements. He said, "If the government can get newspapers in such a position that they cannot carry advertising then it will be necessary to go on a government subsidy and they will all be government newspapers."

Approves the Hobbs Bill

Congressman Ellis referred to the Hobbs bill now before Congress making it unlawful for any person, firm, corporation or association to attempt to sell insurance by mail, radio or other means except under the laws of the state where the sale is made. He declared there is enormous opposition to the bill coming largely from clergymen who are interested in insurance companies writing church property that are only licensed in their home state but do a country-wide business—factory mutual fire

Creditors Get Proceeds Due to Constructive Fraud

The Ohio court of appeals, Cuyahoga county, 8th district, gave a decision against the beneficiaries in a case involving the issue of whether premiums had been paid in fraud of creditors. The case was the John Weenink & Sons Co. et al vs. Blahd et al.

The court held that the payments of the premiums by the assured, Dr. Mose R. Blahd, in the presence of his insolvency amounted to a constructive fraud of his creditors and the premiums paid by him out of his income may be recovered by the creditors.

Dr. Blahd prior to his death Feb. 28, 1940, had been a successful surgeon in Cleveland. About 10 years before his death he suffered a severe impairment to his health and his income was reduced from about \$25,000 a year to \$10,000 or \$15,000. He got into serious financial difficulties. In 1930 Dr. Blahd and his wife, who was jointly obligated with him, entered into an agreement with their then creditors. Certain persons were designated as trustees and Dr. and Mrs. Blahd were obligated to pay a monthly sum of not less than \$750 toward liquidation of their debts.

During the period following execution of this agreement less than \$3,000 was paid by the debtors. During this period Dr. Blahd received an average income of at least \$10,000.

Paid \$40,000 in Premiums

From 1930 to 1940 Dr. Blahd paid or caused to be paid premiums amounting to about \$40,000. The proceeds of one policy with Equitable Society amount to \$45,283.

The premiums paid on this policy were received from four sources: directly from the income of Dr. Blahd; from policy loans and dividends; by drawings made by Dr. Blahd's secretary upon a bank account held jointly by Dr. Blahd and the secretary and by contributions and loans made by others including the minor son of Dr. Blahd.

At no time did Dr. Blahd ever attempt to conceal his insolvency or the payments of premiums. The court inferred that the creditors were continuously aware of his financial condition and such payments. Dr. Blahd from time to time begged for forbearance from his creditors.

Considering the amount paid for insurance by Dr. Blahd during the period and the sums paid by loans and dividends there was an excess in income over disbursements of about \$7,000 per year. If Dr. Blahd had paid only \$2,000 a year toward liquidation of his debts they would have been extinguished at his death. It is obvious that the interests of his creditors had a most minor position in the mind of Dr. Blahd, the court stated.

Creates Exemption and Exception

The court observed the section 9394 of the Ohio general code creates both an exemption and an exception to such exemption in regard to creditor's claims. It provides that the proceeds of the policy shall be exempt from the claims of creditors except to the extent that premiums are paid in fraud of creditors and that such premiums may be recovered where fraud has intervened. The statute, therefore, creates an exemption merely of the excess over the amount of such premiums, where fraud has intervened.

There are two schools of thought applicable to such exemptions. One would exempt the entire proceeds of a policy,

companies, traveling men's health and accident associations and so on. He expressed himself as being in favor of the Hobbs bill but he said that he was opposed to the government entering private business of any kind.

the premiums for which have been paid during a period of insolvency of the assured, if the amount of premiums so paid bears a reasonable relation to the financial condition of the assured. The other considers that where premiums are paid during the insolvency of the insured, such payments, although made for the proper benefit of a wife, constitute constructive fraud of creditors. The premiums if paid out of the income or assets of the insured may be recovered out of the proceeds of the policy upon death of the insured.

Payment Not Justified

Even considering the "reasonable rule," the court stated, the payment of almost 50% of the income of Dr. Blahd for life insurance is an allocation of more than a reasonable portion of income for insurance of the wife and others in the presence of insolvency. The payment of some \$4,000 per year for insurance cannot be justified as a reasonable provision for the wife under the circumstances in this case. Creditors, therefore, are entitled to enforce their judgment claims against the premiums paid by Dr. Blahd whether such payments were made out of funds acquired

by Dr. Blahd from ordinary income, loans or dividends or gifts to him.

The beneficiaries also contended that the statute of limitations barred recovery, but the court dismissed that contention. The beneficiaries claimed that because the widow had elected to take advantage of the so-called "spendthrift" clause the creditors cannot reach the payments paid in constructive fraud of their rights as such. This clause constituted an agreement between the insurer and the insured, the court pointed out. It could be no more binding upon the creditors than the main provision of the policy, which was that the proceeds should be paid to the beneficiary. The fact that these proceeds could be paid in installments cannot affect the rights of creditors.

A. P. Gustafson represented the creditors, Morton S. Zaller, Morris I. Goldsmith, the beneficiaries and Squire, Sanders & Dempsey, Equitable Society.

To Hold 3-Day Meeting

The W. H. Masterson agency of Equitable Society in Newark will hold a three-day meeting at Sky-Top in the Pocono Mountains, Pa., Sept. 21-24.



Coverage for Junior, Too!

Of course you know plenty of Juniors . . . and we've got the stuff that sells. ► We helped to pioneer Juvenile insurance. We know whereof we speak. ► Coverage ages 0 to 15. Our payor clause is in effect throughout the premium paying period (or in a few exceptions to age 25.) ► Add our novel and effective sales aid—a scientific Height and Weight Chart that's amazing in the help it can give you in securing interviews. ► Nothing complicated about it. Let us show you how to get results! Drop a line to Rolland E. Irish, president.

UNION MUTUAL
LIFE INSURANCE COMPANY
Portland **MAINE** Home Office



Claim Association Program Announced

Presentation of British War Experience to Be Feature

The complete program for the annual meeting of the International Claim Association, to be held at the Edgewater Beach Hotel in Chicago Sept. 13-14, has been announced by W. E. Hein, president, who is supervisor of claims of the State Mutual Life. The program, drawn up under the direction of F. M. Walters, General Accident, chairman of the program committee, is as follows:

Monday Morning, Sept. 13

Address by the president.
"Trends in Manpower," Col. Paul G. Armstrong, Illinois selective service director.
"Public Relations—What It Is and What It Is Not," Averell Broughton, New York public relations consultant.
Special report on British war claim experience.

Monday Afternoon, Sept. 13

Seminar sessions, each to be preceded by special legal committee report:
Accident, health and group, chairman, C. O. Pauley, Great Northern Life.
Industrial life, chairman, R. J. Wetterlund, Washington National.
Life and double indemnity, chairman, Walter Trout, Penn Mutual Life.
Life disability, chairman, J. H. Wainwright, Canada Life.

Tuesday Morning, Sept. 14

Reports on seminar meetings.
Open forum discussion of matters of interest developed in seminars.
Reports of special committees.
Election of officers.

War Angles to Claim Problems

"This program will be almost wholly devoted to the presentation and discussion of war angles to claim problems," Mr. Walters said. "Practically every member company of the association will be represented, so that there will be an unusual opportunity to consider all possible viewpoints on the handling of claims in wartime. Because the seminars and subsequent general discussions are of such importance it is planned to allow all the time necessary for a full and complete discussion of war problems. If necessary an afternoon session will be held for that purpose."

One of the features of the program will be the special report on British war claim experience, based on a survey made in cooperation with the three important British associations: Life Offices Association, Accident Offices Association, and Associated Scottish Life Offices.

The special guests at the meeting representing the armed services will include: Maj.-Gen. Jay L. Benedict, president of the War Department Dependency Board; Commander A. C. Jacobs, head of the casualties and allotments section of the Bureau of Naval Personnel; Lt. Col. George F. Herbert, chief casualty branch, adjutant general's office, U. S. Army; H. L. McCoy, director of insurance, Veterans Administration; Edward E. Odom, solicitor Veterans Administration.

Oregon Directory Published

PORTLAND, ORE.—Commissioner Thompson has compiled and published an insurance agents directory of Oregon, as of May 10, 1943, and copies are available without charge to accredited interests. The directory lists separately by cities and towns the agents for fire, automobile (fire), marine, life and miscellaneous companies and the companies represented by each. It also contains fire insurance companies and their Portland agents; a list of licensed adjusters, non-resident brokers, and holders of surplus line licenses.

Points Out Cost of Wagner Bill to the People

The National Physicians Committee for the Extension of Medical Service with headquarters in the Pittsfield building, Chicago, has got out a pamphlet dealing with the Wagner-Murray Senate Bill 1161. This brochure gives a factual analysis of the medical and hospitalization provisions of the measure. The medical profession declares that if the recommendations are enacted into law they will destroy the private practice of medicine in this country. The author of the booklet states that the processes proposed and the mechanisms indicated are designed to act as the catalyst in transforming a rapidly expanding federal bureaucracy into an all-powerful totalitarian state control.

The bill makes provision for free general medical, special medical, laboratory and hospitalization benefits for more than 110,000,000 people in the country. It proposes placing in the hands of one man, the surgeon general of the public health service, the vast power of hiring doctors, establishing rates of pay, fee schedules, qualifications for specialists,

number of individuals for whom any physician may provide service and determine arbitrarily what hospitals or clinics may provide service for patients.

The bill provides that every employer shall pay a tax on wages paid to individuals up to \$3,000 a year 6% and every employee shall pay 6% tax deducted from wages on earned income up to \$3,000 a year or total of 12%. Every self-employed individual shall pay a tax on the market value of his services up to \$3,000 per year of 7%. Federal, state and municipal employees shall pay a tax of 3½%. It has been estimated by the Treasury that by broadening the base of social security taxpayers and beneficiaries, the existing rates, total 5%, would raise \$5 billion of revenue annually. On this basis the total annual revenue under the Wagner bill would be \$12 billion.

Dupont Circle Bldg. Is Sold

WASHINGTON—The Dupont Circle building here was sold last week at auction for \$100,000 over existing obligations of \$1,173,749.96 owed Metropolitan Life on a first mortgage. Purchaser is Ducirco Corporation of Delaware, a representative of which posted a certified check for \$20,000 and agreed to pay the balance within 30 days.

Sale had been ordered by the district court here to satisfy a note issued by

Dividends Pass Premiums on 99-Year Old Policy

Eldridge Ishmael, Cassville, Wis., who will soon be 99, recently sent his 75-year-old Northwestern Mutual Life policy to the home office for a change in beneficiary. The policy, a 10-payment life, was paid up in 1878. Mr. Ishmael has received \$626.31 dividends on the policy, \$219.11 more than the premiums he paid. The face value is payable when he is 100.

Dupont Circle, Inc., then owner of the building, to Commercial Credit Corporation, amounting to \$250,000.

The Dupont Circle building is occupied by government agencies, including the OCD office of Gen. U. S. Grant, III, charged with protection of industrial facilities.

Ducirco Corporation agreed to recognize the government's lease at \$15,038 per month, for one year, with four-year renewal privilege.

The Unique Manual-Digest's showings of incomes payable cover practically all life insurance in force today. \$5.00 from National Underwriter.

TONIC FOR SALES CURVES



Lincoln Life men have learned through experience that regular use of their Company's Direct Mail plan increases production. Pithy, attention-getting letters on all the Company's popular plans, designed to fit

various follow-up situations, are available to LNL field men without cost. These letters, individually typed and personally signed, increase the Lincoln National man's ratio of sales per call.

THE LINCOLN NATIONAL LIFE INSURANCE COMPANY

Fort Wayne

Indiana

Geared To Help Its Fieldmen



Women's \$250,000 Round Table Hits New High Mark

Indicative of the increasingly important part women are playing in life insurance selling, the Women's Quarter Million Dollar Round Table of the National Association of Life Underwriters has reached an all-time high in membership, Helen M. Zepp, Equitable Society, Chicago, chairman of the group, announces.

This year's Round Table lists 40 women who have paid for more than \$250,000 of life insurance in accordance with the rules governing membership. It includes 13 who have qualified for the first time, two who have qualified for two successive years and two new life members through three consecutive years of qualifying production. There are also 10 life members who have qualified for the current year and 13 renewing life members. Additional applications still are being received.

The dinner meeting of the Women's Quarter Million Dollar Round Table will be held at the William Penn Hotel, Pittsburgh, Sept. 14. It will be a closed meeting for members only. The program will comprise a round table discussion of problems of interest. Members have been asked to submit in advance two topics for inclusion on the agenda. The questions chosen will be sent to members in advance, so that they may be prepared to discuss the problems.

Members registered to date are:

First time—Bettie M. Boyd, Mutual of New York, Troy, Ala.; Myra L. Clark, Pacific Mutual, Rapid City, S. D.; Carolyn E. Duffy, Mutual Life, Wilmington, N. C.; Elma Easley, California-Western States, Portland, Ore.; Fannie A. Henry, New York Life, Little Rock; Ruth M. Kelly, Connecticut Mutual, Detroit; Florence E.

Lorf, Penn Mutual, Detroit; Caroline Opperman, Connecticut General, Pitts-
burgh; Lillian Probst, West Columbia, Tex.; Leila N. Rice, Pendleton, Ore.; Lorraine Sinton, Mutual Benefit, Chicago; Thelma Templeton, Equitable Society, New York City, and Emma Wolpert, Equitable Society, Chicago.

Second time—Helen D. Foster, Prudential, Birmingham, and Kathleen Runnels, New York Life, Norfolk, Va.

New life members—Hannah M. Held and Esther D. Pineus, both with Lincoln National, Norfolk, Va.

Qualifying life members—Muriel F. Briggs, Southland Life, Dallas; Eunice C. Bush, Mutual Life, Baton Rouge; Bessie Dale, Kansas City Life, Lawton, Okla.; Lillian Joseph, Home Life, New York City; Fay Levy, Equitable Society, New York City; Deborah Lewin, Equitable Society, Los Angeles; Corrine V. Loomis, John Hancock, Boston; Lillian Oliver, Colorado Life, Atlanta, Tex.; Anne Miller, Country Life, Joliet, and Elsie Matthews, Connecticut Mutual, Newark.

Renewing life members—Martha Washburn Allin, Connecticut Mutual, Minneapolis; Dorothy S. Briggs, John Hancock, Springfield, Mass.; Agnes Bruder, Equitable Society, Chicago; Arley G. Cassidy, Equitable Society, Harrisburg; Edna Duschne, Massachusetts Mutual, New York City; Mabel Earl, Equitable Society, New York City; Sara Frances Jones, Equitable Society, Chicago; Rose B. Krohngold, Lincoln National, Cleveland; Mildred P. Miller, Penn Mutual, Kansas City; Clara McBreen, Equitable Society, Cincinnati; Mrs. G. A. Ralls, Minnesota Mutual, Houston; Helen B. Rockwell, National Life of Vermont, Cleveland, and Helen M. Zepp, Equitable Society, Chicago.

Study of Retaliatory Statutes Is Projected at Insurance Section

Franklin J. Marryott of Liberty Mutual reported for the committee on qualification and regulation of insurance companies at the meeting of the insurance section of the American Bar Association in Chicago this week. He recalled that the committee last year recommended that a new canvass be made to determine the possibility of obtaining sufficient support for a uniform retaliatory law to make it feasible to continue with the project of drafting such legislation.

Mr. Marryott expressed the opinion that the prospect of early adoption of such a law, assuming that a draft could be drawn that would not collide too violently with many established state policies, is not favorable. However, there is enough interest in the subject of retaliatory legislation to justify some further work in this field. A summary of all of the state statutes with respect to retaliation has been made, and a study of all available cases, insurance department rulings, attorney-generals' opinions and all published legal material on the subject is being made. The committee hopes to be able to present this report next year, together with a treatise on the nature and interpretation of such legislation, a compendium of the statutes, cases, rulings, opinions and legal literature.

Such a report, Mr. Marryot said, should prove valuable to insurance departments, attorney generals and insurance lawyers.

Service Life Payments in July Total \$615,000

WASHINGTON—Veterans Administration Frank T. Hines reports life insurance payments of \$615,000 in July on account of deaths of armed service members in the present war. Total death and disability benefit payments during the month exceeded \$2,000,000. They included death pension payments of \$740,000.

The Veterans Administration states that its July insurance payments averaged \$37.71 per month, to families of World War II deceased veterans. Death pension payments averaged over \$48 a month per veteran; disability payments \$40 per month per veteran.

Life Insurance Has Vital Role in New War Bond Drive

The vital role that life insurance and its agents will be called upon to play in the Third War Loan campaign which the Treasury will launch Sept. 9, was stressed by W. C. Schuppel, Oregon Mutual Life, president American Life Convention, in discussing present and post-war problems of business.

"The sale of \$15 billion of war bonds in the space allotted to this campaign is a gigantic task and it will require a large army of trained salesmen to accomplish the ends desired," Mr. Schuppel said. "I know of no other one industry that has available so many persons skilled in the needed sales technique as life insurance."

To reach the goal set, new bonds must be sold to upwards of 50 million men, women and children. "In order to reach that vast army of customers it will require thousands of salesmen who really know the American people. Not the doorbell ringing type of business-seekers but men and women who actually know the prospects and their ability and willingness to participate in this nation-wide effort to back up our bombs and bullets with the bonds that must be sold in September."

Life Executives State Leaders

He referred to the fact that many prominent life insurance men have already been called upon to head the sales organizations in their states, including O. J. Arnold, president Northwestern National Life, for Minnesota; Walter W. Head, president General American Life, Missouri; Col. Franklin D'Olier, president Prudential, New Jersey; F. L. Conklin, president Provident Life, North Dakota; Ellsworth A. Roberts, president Fidelity Mutual Life, Pennsylvania, and Cecil Woods, president Volunteer State Life, Tennessee.

He mentioned that since Pearl Harbor members of the National Association of Life Underwriters have sold some \$6 billion of bonds directly through the payroll deduction plans they have set up in thousands of factories, stores and business offices, or directly to individuals, and probably another \$3 billion or more indirectly. In September those who are already purchasing bonds on the payroll deduction plan will be called upon to take at least one extra bond and many millions who are not now on the payroll deduction plan must be induced to sign up at once.

Parkinson Makes Appeal for War Bond Sales

NEW YORK—President Thomas I. Parkinson of Equitable Society opened the war bond program for New York City life insurance companies by addressing 5,000 members of Equitable home office and greater New York agency forces Monday afternoon. The plan consists of organizing home office employees and agents into a force to sell war bonds in their neighborhoods.

Mr. Parkinson pointed out that individual buying of bonds is of the greatest help in preventing inflation. The future of the insurance business and of all American life is involved, Mr. Parkinson said. Life insurance has made a great contribution to the preservation of American institutions and ideals and it is for these ideals that our boys are fighting. He stressed the importance of keeping up the morale on the home front as well as the fighting front.

President Parkinson spoke of the development of group insurance by Equitable. He referred to the group hospital expense insurance Equitable recently inaugurated for its employees and he announced that a further step has been taken. A plan has been approved to go into immediate effect under which, for experimental purposes, the home office staff will be reimbursed for doctor's

bills paid either for the doctor's visit to the patient's home or the patient's visit to the doctor's office.

Mr. Parkinson expressed confidence in the ability of Equitable employees to sell war bonds to the people of New York "till it hurts."

Mail-Order Warning by Allyn

A warning against buying mail order insurance has been issued by Commissioner Allyn of Connecticut. He called attention to the increasing amount of direct-mail and magazine advertising being carried on in his state by companies not licensed or examined by his department, and said that although such insurers may be sound and honest, the Connecticut policy purchaser is acting unwisely if he purchases policies from them without first obtaining information from the department. He said he was prompted to issue the warning by the number of cases which have come to his attention where satisfactory adjustments of claims have not been made by these outside companies. His department is powerless to act in such cases.

For full data on life companies, contracts, costs or values, get the **Unique Manual-Digest**. \$5 from National Underwriter.



★ **FOR THE PAST FEW DAYS, THE "FRONT OFFICE" BOYS, HIB RUST, RAY HILGEDAG, BOB OSLER, ALDEN PALMER AND EVEN THE OLD MAN HIMSELF (PAUL SPEICHER) HAVE BEEN WRAPPING PACKAGES TO GET OUT FROM UNDER AN AVALANCHE.**

YOU'VE HEARD ABOUT NO AVALANCHES IN AUGUST IN THE MID-WEST? Well, there is one at 123 W. North Street, for the returns are coming in on our Annual Shelf-Clearance Sale. Each August we take a new broom and make a clean sweep of our stock room — and sell many of our standard sales and agency aids at penny prices.

WOMEN BUY FUR COATS IN AUGUST BECAUSE THEY SAVE MONEY. Far-sighted managers look forward each year to R & R's Shelf-Clearance Sale because they save money — and lots of it, and they buy "weather" or not it's August.

SO IF YOU KNOW ANYONE WHO WANTS TO WRAP PACKAGES for a week or two, send 'em around. And if from some most mysterious cause, you didn't receive a copy of the SALE ANNOUNCEMENT, drop me a line pronto — (and "pronto" means the exact opposite of "mañana.") You TOO can save money!



PAUL SPEICHER
Managing Editor

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ALFRED MACARTHUR, President

Millett Scans Employees Trusts in Talk to Bar Group

Paul F. Millett, Chicago attorney who is well posted on employees trusts and related questions, delivered a paper on the subject at the meeting of the life insurance law round table of the insurance section of the American Bar Association in Chicago this week. It is given herewith almost in its entirety.

Any person who attempts to write or speak authoritatively on the subject of employees' trusts at this time is probably making a mistake. The present law is far from crystallized and undoubtedly there will be developments which will necessitate many changes in the near future. One fundamental is obvious, however—lawyers must approach a discussion of employees' trusts, at this time, with the realization that the day of the rugged individualist is passing, if not gone, and that legislation on this subject is an expression of a social trend. To approach the subject of employees' trusts with the primary objective of getting as much as possible for the executive group of employees will lead to many pitfalls and, from the standpoint of tax penalties, one pitfall would be enough.

Simply stated, an employees' trust is a deferred compensation plan created by the employer for the benefit of his employees. If the plan meets the requirements of the statute, the contribution to the trust is deductible by the employer, the trust is a tax-free entity, and the amount of the employer's contribution allocated to an employee is not income to such employee until distributed or made available.

Not Recent Development

Section 165 of the internal revenue code, relating to employees' trusts, is not a recent development in the law, for the general principles of the present act have been incorporated in the statute since 1924.

There have been very few decisions or rulings relating to employees' trusts until very recently. This is because, in former years, comparatively few employers availed themselves of this plan of providing retirement income for employees and because, prior to the revenue act of 1942, the requirements of section 165 were so general in character that substantially any plan would qualify. Hence little litigation arose.

Under the law prior to the revenue act of 1942, it would appear that the employer could select, arbitrarily, the employees who were to benefit under the plan, since the statute merely provided that the trust must be "for the exclusive benefit of some or all of his employees." The prior law excluded, however, a trust set up for the primary benefit of the principal stockholder. It required the existence of an employer-employee relationship. Under its provisions, an employee received no taxable income until the trust funds were distributed or made available to him, but if the trust purchased retirement income policies with insurance, the cost of the insurance was current income to the employee beneficiary.

Tax Factor Responsible

Increases in both corporate and personal income tax brackets within the past three years, combined with substantially higher incomes enjoyed by both employer and employee, have brought many employees' trusts into existence during 1942 and 1943. The act as it stood prior to the revenue act of 1942 could be used as a means of draining off earnings otherwise subject to the highest tax rate in our history, into the pockets of a limited group, without subjecting the funds so withdrawn to the personal income taxes of the beneficiaries until a later date. Thus abuses arose which are now, in the main, prohibited by the amendments to section 165 and 23(p) in the revenue act of 1942.

Securing the revenue department's

approval of employees' trusts seems to hinge on the questions of eligibility and discrimination, and the line of demarcation between the two is none too sharp. The statute and the regulations give these points great weight, and the taxpayer must regard them as having the first importance.

Section 165(a) of the code as amended relates to "trusts forming a part of a stock bonus, pension or profit-sharing plan of an employer for the exclusive benefit of his employees or their bene-



PAUL F. MILLETT

ficiaries." Section 165(a)(3) of the code sets forth certain eligibility requirements which are broken down into two tests. One relies upon the percentage of employees who will benefit. The other is some other "classification set up by the employer and found by the commissioner not to be discriminatory in favor of employees who are officers, shareholders, persons whose principal duties consist in supervising the work of other employees, or highly compensated employees." Thus it would appear that if the percentage requirements are met, no finding by the commissioner as to discrimination is necessary. A plan meeting the requirements as to eligibility under either test, however, must still meet the requirements of section 165(a)(4) of the code as to discrimination in both contributions and benefits. The statute and the regulations, as well as the senate committee reports, set forth that discrimination can occur either in contributions or benefits under the plan. The language of the statute and of the regulations is general in character so that we have very few guideposts. The phrase "highly compensated employees" is certainly a relative term and, undoubtedly, will be so construed. Therefore, in creating a plan, an employer cannot afford to accept some arbitrary figure, but must carefully scrutinize his payroll. The definition of a "supervisory employee" is also very broad. For example, would a working foreman be considered a rank-and-file employee, or would he be one of the group for which discrimination is prohibited? It would appear that we must await court decisions, as well as a body of rulings which the commissioner will build up over a period of time, before such a question can be answered with any degree of certainty.

Spirit of the Act

Looking at the spirit of the act as it now appears in both the statute and the regulations, it seems clear that the plan must be for the exclusive benefit of the employees in general, that the benefits should cover a substantial percentage of the employees and must not, either di-

rectly or indirectly, by formula, eligibility or the terms of the trust, primarily benefit the stockholders, officers, supervisory or highly paid employees.

It should be noted, however, that among other matters, section 165(a)(5) of the code provides that a classification will not be considered discriminatory within the meaning of section 165(a)(3)(B) or (4), merely because it excludes all employees, the whole of whose remuneration constitutes wages under section 1426(a)(1), (relating to the federal insurance contributions act).

We come, now, to the question of the meaning of the word "merely" as used in section 165(a)(5) and in the corresponding section of the regulations. There is some current opinion to the effect that if the benefits under the plan are correlated and integrated with social security benefits, as illustrated by recent income tax unit rulings (Numbers 3614 and 3615), the plan will meet the requirements of discrimination regardless of the fact that substantially all of the contributions may be allocated to the group for which discrimination is prohibited. The commissioner has published a table to measure proper integration with social security benefits. Such an interpretation would make the "illustrations" in section 165(a)(5), all of which are preceded by the word "merely," exceptions to the general rule

as set forth in section 165(a)(4) of the code. This would appear to be inconsistent because, if that were the intent of Congress, the word "merely" would not have been used. It must be borne in mind that the law is concerned not so much with the form of a plan as it is with its effects in operation. Therefore, section 165(a)(5) should be read in the light of the over-all limitations set forth in section 165(a)(4). For example, if a corporation has 200 employees and the plan specifies that all employees are eligible who have completed three years of service, provided their compensation is in excess of \$3,000, and if only two stockholder-employees could meet both requirements, the plan, undoubtedly, would be held to be discriminatory.

Problem of Small Employer

Conversations with attorneys practicing in this field indicate that the average plan being put into effect today is for employers having from 50 to 150 employees. These small employers who wish to install a pension plan, generally have a very difficult problem to solve in the matter of discrimination for three reasons: (1) the stockholders are employees and the average age of the stockholders, officers, supervisory and highly compensated employees is 10 or 15 years more than the average age of the rank-

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V. H. JENKINS, Vice-President

Horace Greeley was right

and-file employees; (2) these four groups generally meet the eligibility requirements as to length of service (which is the most commonly used test); and (3) the compensation of a stockholder-employee is usually four or five times that of a rank-and-file employee. The result of these three factors is a tendency to overload the plan for a group in whose favor discrimination is not permitted.

The contribution required to retire, at age 65, a person now 50 years old, is at least twice the amount required for a person now age 35 (assuming the same pension). When these factors are combined with a formula to produce, for example, a pension of 25% of an employee's basic compensation, exclusive of social security, we frequently find that the plan is out of balance. A plan which came recently to my attention employed a formula that resulted in allocating 70% of the corporation's current contribution to the stockholders. The commissioner, it seems to me, might well call such a plan a distribution of dividends.

Predicts Much Litigation

A logical conclusion is that we will see much litigation on the question of discrimination during the next few years, particularly as it may relate to the amount of the employer's contribution allocated to the stockholder-employees. In this connection it is interesting to note that the three income tax unit rulings issued at the time of the publication of the recent regulations, fail to discuss this point. Rather, they ignore the problem and use, for illustration, cases where but a small percentage of the stock is owned by employee-beneficiaries. It would appear reasonable, however, that the percent of contribution allocated to stockholder-employees could be increased as the number of stockholder-employees increases, by reason of the fact that the pension results primarily from service to the corporation.

VESTING EMPLOYEE RIGHTS

A discussion of discrimination is not complete without some mention of the vesting of employees' rights under a trust. The statute does not require vesting. However, the word "discrimination" is possible of a very broad interpretation. Vesting, especially in the smaller trust, has great possibilities of abuse. For example, suppose a corporate employer creates a trust for all of its employees who have two years of service, there being 25 eligible employees out of a total of 50 employees. Suppose, further, that two stockholder-employees who own all the outstanding stock, qualify under the plan. If all of the employees, other than the two stockholder-employees, were discharged, the normal result would be that all of the corporation's contribution would eventually be allocated to the two stockholders. Manifestly this would be beyond the act as written and would also be beyond the spirit of the act. It would seem reasonable, therefore, that some provision for vesting should be included, particularly in the smaller trust. The information to be furnished to the commissioner when submitting a plan for approval, must show, in addition to other data, the vesting privileges, if any, under the trust.

Taxation of Beneficiary

Section 165 of the code, as amended, and the regulations have done much to clarify the tax position of the beneficiary of a trust, whether it be the employee or, in the event of his death, his beneficiaries. Briefly stated, upon retirement of an employee, he will report for income tax purposes, his pension "under section 22(b)2 as if it were an annuity, the consideration for which is the amount contributed by the employee."

If the plan is non-contributory as to employees, the entire pension, as received, will be 100% taxable as ordinary income. If the amount held in the trust

Convention Dates

Sept. 13-14, International Claim Association, Chicago, Edgewater Beach Hotel.
Sept. 13-16, National Association of Life Underwriters, Pittsburgh, William Penn Hotel.

Sept. 25-27, Life Office Management Association, Chicago, Edgewater Beach Hotel.

Sept. 28-30, National Fraternal Congress, Cleveland, Hotel Cleveland.

Oct. 4-7, American Life Convention, Chicago, Edgewater Beach Hotel.

Oct. 13-14, Actuarial Society of America, New York City, Waldorf-Astoria Hotel.

Oct. 15-16, Institute of Home Office Underwriters, Chicago, Edgewater Beach Hotel.

for the benefit of an employee is distributed to him in one taxable year on account of his separation from service, the amount so distributed (excluding the employee's contribution) is considered gain from the sale of a capital asset held for more than six months.

The foregoing statements assume a trust qualified under section 165(a) at all times. If, however, the employer makes a contribution to a trust which does not qualify, and if the rights of the employee are not forfeitable, such contribution will be taxable to the employee in the year in which it is made.

If the trustees under a trust invest in retirement annuity policies with an insurance factor, section 19.165(b)(1) of the regulations provides a measuring stick as to the amount the employee must report as income, which is in line with the Moore case decided by the board of tax appeals. If retirement annuity policies with an insurance factor are used, certain additional accounting operations will probably be involved, due to unemployment taxes, social security and withholding tax.

EMPLOYER DEDUCTIONS

Section 23(p) of the code relates to the deductions allowed the employer for contributions to a stock bonus, pension, profit-sharing or annuity plan, or to a deferred compensation plan.

First of all, the amount contributed must be reasonable in the light of section 23(a) of the code. If the contribution is not deductible by the employer under section 23(a), the deduction will not be allowable under section 23(p). This factor apparently has been overlooked by some employers in an attempt to get as large a deduction as possible during the current year. Incidentally, it is possible that a substantial contribution at the inception of the plan, taking into consideration the employer's earnings record, might be construed as an indication that the plan is temporary in character and, therefore, not acceptable to the commissioner.

Interplay of Clauses

The thought has been expressed in some quarters that by reason of clause (i) of section 23(p)(1)(A), there is a 5% limitation on the amount that can be contributed to a pension trust, as distinguished from a profit-sharing trust. Such thinking hardly seems warranted, either in light of the text of this section of the code or the text of the regulations. If the 5% limitation were a fact, then section 23(p)(1)(F) of the code, which provides for a deduction of 25% where there are both a pension plan and a profit-sharing plan in existence, is a nullity, since section 23(p)(1)(C) provides for a 15% ceiling in the instance of profit-sharing plans.

In my opinion, clauses (i) and (ii) of section 23(p)(1)(A) should be read together, since these two clauses are connected by the word "plus." This is substantiated by section 19.23(p)(1)(A)-3 of the regulations. It must be observed, however, that this section of the regulations directs attention to the interplay of clauses (i), (ii) and (iii). Clause (iii) of section 23(p)(1)(A) of the code reads as follows:

"In lieu of the amounts allowable under (i) and (ii) above, an amount equal

to the normal cost of the plan, as determined under regulations prescribed by the commissioner with the approval of the secretary, plus, if past service or other supplementary pension or annuity credits are provided by the plan, an amount not in excess of 10% of the cost which would be required to completely fund or purchase such pension or annuity credits as of the date when they are included in the plan, as determined under regulations prescribed by the commissioner with the approval of the secretary, except that in no case shall a deduction be allowed for any amount (other than the normal cost) paid in after such pension or annuity credits are completely funded or purchased."

Clause (ii) of section 23(p)(1)(A) of the code provides for deductions for "any excess over the amount allowable under clause (i)." Thus it appears that from the standpoint of deduction of current contributions, there probably should be a period of at least 10 years from the date of entry to the date of retirement of the employee, since most plans, either by formula or effect, give a certain weighting for past service. The reading of section 23(p) of the code, and the corresponding sections of the regulations, seems to indicate that, for a plan to be more readily acceptable, it should provide a formula covering past service, although there is nothing which makes such a formula mandatory.

Charge-off Over Five Year Period

There has been considerable discussion as to that part of clause (ii) of section 23(p)(1)(A) which relates to the charge-off over at least a five-year period in instances where the unfunded cost in respect to any three individuals is more than 50% of such remaining unfunded cost. If cost is the amount of the contribution required to get a certain pension result, then unfunded cost is the amount required to be paid during future years to provide the pensions under the plan. Thus, to make this determination, it becomes necessary to compute the future requirements as to each employee under the trust and determine if the total for any three individuals exceeds 50% of the total for all employees under the plan.

Section 23(p)(1)(B) relates to deductions under retirement annuity plans which do not require a trust. It is interesting to note that this paragraph makes mandatory the use of the refunds of premiums in reduction of premiums. This provision as such was not incorporated into section 23(p)(1)(A) relating to pension plans. However, the reasoning is inescapable that the employer can deduct only the actual cost of the plan. Therefore, in my opinion, the refund of premiums, if any, where the plan is underwritten by an insurance company using individual policies, must be used to reduce the premium in subsequent years.

Executive Order

Pursuant to the authority granted by Congress on October 2, 1942, the President issued an executive order on Oct. 3, 1942, one of the purposes of which was to stabilize wages and salaries. Under title VI of this order there was excluded from the meaning of the words wages or salaries, "insurance and pension benefits in a reasonable amount as determined by the director of economic stabilization." Regulations subsequently issued by the director (Oct. 27, 1942) provide, in section 4001.2(h) that the term "insurance and pension benefits in a reasonable amount" means:

(1) Contributions by an employer to an employees' trust or under an annuity plan which meets the requirements of section 165(a) of the code, and

(2) Amounts paid by an employer on account of premiums on insurance on the life of an employee which amounts are deductible by the employer under section 23(a) of the code, except that if such amounts are includible in the gross income of the employee under the code, the amount in respect of each employee may not exceed 5% of the employee's annual salary or wages determined with-

Contest Over Insurance of Oregon Bank Official

PORTLAND, ORE.—A case closely watched by life insurance interests has opened in federal court before Judge Fee in the contest between Mrs. Ruby Brown and New York Life and the Federal Deposit Insurance Corporation to collect on two life policies for \$10,000. The policies were on the life of E. N. Brown, vice-president of the Harney County National Bank of Burns, Ore., who committed suicide last August in a room in the rear of the bank while bank examiners were in the building. Shortage of \$388,669 in the bank funds was discovered by an audit undertaken following Brown's death.

The two policies contested in the suit were made out in favor of Mrs. Ruby Brown, Edward's mother, and she filed the original action in federal court to collect the amount. The FDIC, however, also claims the money, contending that the premiums had been paid from bank funds.

out the inclusion of insurance and pension benefits.

A literal reading of these regulations indicates that meeting the requirements of section 165(a) is sufficient to prevent a violation of the wage "freeze." The commissioner has ruled, however, that such would not be the case in the instance of profit-sharing trusts. This presents an interesting situation since, according to the executive order of Oct. 3, 1942, the power to issue directives (which presumably include interpretations) is given to the director with the approval of the President. Further, at the time of the issuance of the regulations of Oct. 27, 1942, the revenue act of 1942 had been passed and section 165(a) included profit-sharing trusts. Apparently we must await further enlightenment on this point.

Insurance Cost Tops 5%

It will be noticed that the connecting word between paragraphs (h)(1) and (h)(2) of section 4001.2 is "and." Therefore, if retirement annuities with an insurance factor were purchased by the trustees, the cost of such insurance must not exceed 5% of the compensation of the employee. This is substantiated in a memorandum issued by the commissioner on June 11, 1943.

Recent reports from Washington make it clear that we may expect changes in the revenue law before the year is over. Further, there has been some contention that the new regulations relating to employees' trusts do not properly interpret the statute. Potential developments, either by way of changes in the regulations or the statute, may well modify sweepingly all the points which I have discussed here. Therefore, close attention to current changes in the law and the regulations relating to employees' trusts is mandatory for every lawyer practicing in this field.

N.A.L.U. Nominators Hold Louisville Parley

The nominating committee of the National Association of Life Underwriters held a meeting the other day at Louisville, the home city of the chairman, E. W. Baker of John Hancock Mutual. The committee discussed the slate that is to be submitted to the N.A.L.U. national council at its annual meeting in Pittsburgh next month.

Present Portrait of L. A. Lincoln

District managers of Metropolitan Life presented to the company this week a portrait of President L. A. Lincoln which will hang in the board room along with portraits of former Metropolitan presidents. Chairman F. H. Ecker received the portrait on behalf of the company from a committee of active and retired field men. The picture is the work of Wayman Adams, well known painter.

Simultaneous Death of Husband and Wife

Travelers in its house organ, "Protection," deals with the question of what becomes of life insurance where husband and wife are killed in a common disaster and the beneficiary of a policy is the wife. In England there have been cases during the present war where a whole family was wiped out in the bombing, all killed apparently at the same time. A case is cited where the wife was the beneficiary of a policy and in fact would inherit the whole of her husband's estate. He appointed his sister executor. The wife gave all her residuary estate to her mother, naming her brothers and sisters as contingents if her mother predeceased. Both were killed in a bombing at the same time. The wife's brother and the husband's sister both claimed rights under the will.

Justice Bennett in the chancery division of the high court of justice, London, giving judgment said that if the wife survived the husband for one moment of time, his estate would become hers for that moment and would pass under her will, but if he survived her, it would devolve on his sister as his sole next-of-kin.

Ability to Survive

The Travelers says: "In cases where it was not definitely known whether the husband or wife died first in a common disaster, American courts have ruled that in all probability the 'weaker vessel,' the wife, would have been first to succumb and that the estate would be distributed under the terms of the husband's will. The English property act of 1928 substitutes age for sex in determining ability to survive and assumes that the younger, being hardier, would be last to die.

"It isn't only in cases where it is difficult to determine who died first that a catastrophe clause or the naming of a contingent beneficiary in the case of a policy paid on an income basis, proves its value. Frequently in a serious automobile accident, both husband and wife may be fatally injured, but the wife may survive the husband for a few hours or days. In such a case, all proceeds of the husband's life insurance which

names her as beneficiary, become a part of her estate and would be distributed under the terms of her will.

"The catastrophe clause which may be inserted in a life insurance policy precludes this possibility by providing a waiting period of any desired time up to 90 days following the death of the policyholder before the proceeds are handed over to the wife. If she should die within the period stated, the proceeds would pass to a named contingent beneficiary or become a part of his estate. If she survives him for a period longer than the stated number of days, the proceeds come into her possession.

Case of Monthly Income Policy

"If the proceeds of a life policy are payable on a monthly income basis, with the stipulation that in case of the death of the primary beneficiary before the full sum has been paid, the unpaid balance to be paid to a contingent beneficiary or beneficiaries, no problems would arise in case of a common disaster. Under such circumstances, if the primary beneficiary did not live long enough to receive even the first payment, the full sum would go to the contingent beneficiary or beneficiaries.

"You owe it to each of your life policyholders to so arrange his life insurance that his parents, his brothers or sisters will not have to stand by and watch his money go to some of his in-laws in case both he and his wife should be killed in a common disaster."

Farmers & Bankers Gets Temporary Writ in Iowa

DES MOINES—Farmers & Bankers Life has obtained a temporary injunction in Polk county district court enjoining the Iowa commissioner from interfering with its business for any reasons purporting to be based on objections to war clauses and certain titles of its policies.

The petition stated that the company was notified last July 9 by the commissioner that certain policy forms were disapproved as of Sept. 1 because of objections to the war clauses.

The war clauses provide that in the event the insured dies as a result of wounds or injuries suffered while in military service the company's liability is limited to the return of premiums paid. The clause also contained a provision that the insurance could be kept in force during military service upon payment of an additional premium.

The company contends it submitted a new policy form containing a new war clause to the commissioner last May and that form was turned down.

The company stated that the commissioner had objected to the insertion of the word "ideal" in certain policy titles.

Commissioner Fischer said the department had objected to the proposed war clauses because they were not uniform with the type approved.

For full data on life companies, contracts, costs or values, get the **Unique Manual-Digest**. \$5 from National Underwriter.

Authority's Views on Future Houses

Editor "Architectural Record" Declares Changes Will Not be Revolutionary

Life companies are especially interested in what the future holds in the way of home construction in the post war period. There have been many fantastic articles written about it. Company expert loan men have studied the possibilities and realize that there will be changes in construction. K. K. Stowell, editor of "Architectural Record," gives it as his opinion that greatly improved houses will be built in that period. He says:

"The house of the future will perform the same functions as the house of the past and the house of the present. The functions of this house will be to provide shelter, privacy, comfort and convenience."

With regard to the house itself, Mr. Stowell states that it will have rooms thoughtfully planned for maximum use of the space enclosed. It will have foundations, floors, walls, ceiling, partitions, roofs, and openings; window panes will be of transparent materials.

Installation Equipment

Installed equipment will provide for heating, air conditioning, sanitation; pipes will deliver water and remove waste. There will be automatically-operated refrigerators and food-preparation will be facilitated by many electrical devices. There will be a garage for the family automobile, perhaps in time a garage for the family helicopter. In short, as to general functions and characteristics, the house of the future will be very similar to the familiar house of today.

Respecting new production methods and uses of new materials, the statement continues: "The house of the future will probably be put together more rapidly than the house of the past, thanks to the evolving techniques of the building industry. Materials and equipment that can be produced in the factory in easily handled sub-assemblies will be available to be incorporated in the building at the site. The designers of houses will continue to produce more livable and efficient environments as knowledge of space relations grows and the performance of materials and equipment proves their relative desirability. Designers will make intelligent selection from the many diverse materials (new

Life Insurance Trends and Problems Presented in Interesting Volume

The University of Pennsylvania Press, 3622 Locust street, Philadelphia, has published a new book, "Life Insurance Trends and Problems." It is edited by Dr. David McCahan, executive director of the S. S. Huebner Foundation for Insurance Education. It is a book of about 250 pages. President Parkinson of the Equitable Society gives an introduction. President L. A. Lincoln of the Metropolitan Life takes up insurance supervision, Vice-president Frank L. Jones, Equitable Society, presents a philosophical view of life insurance. Frank J. Travers, second vice-president Lincoln National, was assigned "Life Insurance Company Investments." A. A. Rydgren, president Continental American Life, takes up "The Significance of Reduced Interest Earnings." Dr. D. B. Cragin, Aetna Life, discusses "Some Problems of Life Insurance Medical Selection from Past to Present." E. E. Rhodes, vice-president Mutual Benefit Life, has a chapter on "Contemplated Changes in Mortality Tables, Reserve Bases and Non-Forfeiture Values." Valentine Howell, vice-president and actuary Prudential, has a chapter on "Comparative Net Cost Factors in Ordinary, Group and Industrial Insurance." President M. A. Linton of the Provident Mutual has "Research in Life Insurance Distribution." Manager Holcombe of the Life Insurance Sales Research Bureau comments on "The Present and Future of Sales Research in Life Insurance." Paul F. Clark, vice-president John Hancock Mutual Life, was assigned "Comparative Service in the Distribution of Ordinary, Industrial and Group Life Insurance." Joseph H. Reese, home office, general agent Penn Mutual Life, has a chapter on "Organization and Functions of the Agency in Modern Life Insurance Distribution." Holgar J. Johnson, president Institute of Life Insurance, takes up "A New Era in Public Understanding of Life Insurance." The book costs \$2.

Engel Agency in New Quarters

Franklin Life's Milwaukee agency headed by F. W. Engel has moved to the top floor of the Wisconsin Tower building. The agency has long been one of Franklin's production leaders and has set a record-breaking pace for the first seven months of 1943.

and old) that will be offered in a competitive market."

WANT ADS

WILL PAY CASH

For sound Casualty and Fire Insurance Agency showing average annual commission income of \$4,000 to \$8,000. Located in good Midwestern or Southern City. Address full particulars to Box S-86, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

AVAILABLE

Man experienced in lay underwriting, collection of premiums, issuance of new policies and drafting of special settlement option. Excellent background. Seeking an opening with greater opportunities than offered in present connection. Address S-84, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Educational Man

Strong Middle Western Life Insurance Company has opening for an experienced educational man who can meet and work with agents. Splendid opportunity for right party. Write stating qualifications and experience. All applications strictly confidential. Address S-85, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

How to be Sedentarily Successful

It has been sagely observed that man's progress is retarded because his peculiar design so well equips him for sitting down.

But this pearl of wisdom is subject to exception. Consider, for example, the Life Underwriter. The oftener he sits down in the process of interviewing well selected prospects, the greater the progress he is sure to make.

Moral: What's sauce for the gander isn't always sauce for the goose.

LIFE INSURANCE COMPANY of VIRGINIA

BRADFORD H. WALKER, President

Home Office: RICHMOND

EDITORIAL COMMENT

Riding New Trends to Success

Times like the present that are full of rapidly shifting new developments are likely to prove confusing but they furnish an unusually fine opportunity for the younger men of executive caliber to prove their resourcefulness and their capacity for advancement. In more normal times, when changes evolve slowly, the younger executive who is determined to go places, even though he has ability, finds himself in the shadow of the older man in his field who has not only the ability but long experience.

When there are kaleidoscopic changes, however, there is more of a premium on ability, intelligence, ingenuity and the ability to pioneer than there is on experience, which, unless coupled with a high order of ability may lead the experienced man to rely too much on experience gained during conditions that were not entirely comparable with those he now faces.

Many men who have made names for themselves, both within the insurance business and outside it, have deliberately picked out some new trend and made themselves more expert at it than their fellows. For example, some 30 years ago workmen's compensation insurance was a new thing and full of complexities—which, incidentally, it still is. The late Leon S. Senior, at that

time a young man working in the New York insurance department, realized that when compensation insurance went into effect there would be many involved problems and that it would need a real expert to have any hope of coping with them. He set out to make himself the best informed man in the country on workmen's compensation and when New York awoke to the need of finding a qualified man to head its rating bureau Mr. Senior was the inevitable choice and he was of course able to command a handsome salary.

Mr. Senior's experience is characteristic of that of many other successful executives. The field may be tax developments, social security, personnel problems arising out of labor legislation, or many other fields, but the pattern is the same. They have sized up what they believe to be future trends, picked out one that seemed most potentially fruitful, or that interested them most, and made themselves outstanding in it.

If changes arising out of war conditions seem numerous and extensive it seems certain that they will be even more so during the readjustment period after the war and probably for many years after that. There should be scant excuse about being held back by lack of new fields to master.

Agents as Family Counsellors

A point was brought out in the memorandum filed by the Prudential Assurance of England in view of the Beveridge committee report on social insurance and allied services. The Prudential Assurance does only an industrial business so far as life insurance is concerned. Therefore, it would be immediately affected if industrial life insurance were nationalized and taken over by the British government.

Among other points, the Prudential made was one that we on this side can well keep in mind. It called attention to the service rendered by industrial superintendents, assistant superintendents and the industrial solicitors.

The Prudential states that its agents have become advisers to the policyhold-

ers on many problems which affect their daily lives. They are regarded as not only insurance counsellors but their opinion is sought on many questions. In fact they come in intimate contact with the family and they are able to accomplish much good and do much for their policyholders. This would not be the case if life insurance were sold by the government. There would not be this personal relationship which means so much to the very families that the Beveridge report is trying to help. Sometimes we forget that life insurance men, industrial and otherwise, wield a great influence with their policyholders. A sincere, forthright life man is able to be the family physician, so to speak, in many different ways.

We Are in the Army Now

These are days when there are many unusual demands on everyone. There are exasperating and trying circumstances that come up during the day. Insurance companies, agencies, producers, organizations must carry on their work

in the face of many trying experiences. For instance, almost every office has the problem of help and it is a grave one. New people have been brought in unacquainted with the routine and work of the organization. Those that still

carry on have had more duties added to their chores.

Once in a while we hear complaints from an agency that it does not get the same kind of service from its company that it once did or a customer may criticize an agent for not being on the dot in every particular. This is the day when infinite patience should be invoked. We should remember the trials and tribulations of the other fellow. Every-

one is doing his best even when conditions are chaotic and there is much dislocation.

In comparison with most other countries our sacrifices and troubles are certainly few and small. We must remember that all are endeavoring to do their utmost but at times the machine does not run smoothly. All should remember that the other fellow has many problems.

PERSONAL SIDE OF THE BUSINESS

John C. Blackall, former Connecticut commissioner, is resuming the general practice of law in association with his brother, Charles H. Blackall, at 36 Pearl street, Hartford. He is a graduate of Georgetown law school and before being named as commissioner in 1935 practiced law in Hartford. He was a member of the state senate in the 1933 and 1935 sessions.

Davis J. Follis of Nashville, who recently celebrated his 90th year and his 28th with Prudential, is still active and at his desk every day, although the company recently fixed a compulsory retirement age of 70.

Fred G. Holderman, Jr., Equitable Life Assurance Society manager, has been appointed chairman insurance division, third war loan campaign committee, District of Columbia.

W. E. Bixby, president of Kansas City Life, was presented 614 birthday greeting applications for a volume of \$1,633,484, a substantial increase over the amount submitted on his birthday last year. The total of this year's anniversary month's production, including the special birthday presentation, is expected to be considerably higher than last year.

A discriminating reader has called attention to the fact that **F. A. Schnell** of Peoria, Ill., general agent of Penn Mutual Life, has become a C.L.U. The point made is that Mr. Schnell is a very busy man. He is exceedingly active as the head of his agency. He has been president of the Illinois State Life Underwriters Association the past year. He is prominent in civic and community affairs in Peoria. Notwithstanding the demands on his time, Mr. Schnell took the C.L.U. course, studied it and prepared for the examination, passed it and becomes a C.L.U. This reader takes the position that people who are not so busily engaged and have more time could well afford to take the C.L.U. course if they are studious and thus broaden their knowledge and outlook.

F. T. Jordan, manager of Union Mutual Life's home office agency, has been appointed general chairman of Portland's 1943 fall welfare and relief campaign which is a part of the united community and war chest. He headed the industrial division of the 1942 war chest campaign.

Dr. C. B. Powell, president of Victory Mutual Life and head of its New York City office, has been appointed by Governor Dewey to the New York state athletic commission. The appointment received much favorable comment on the sports pages of the daily papers. Supervision over boxing is the commission's chief function and Stanley Wood-

ward of the New York "Herald Tribune" said that "to this department it seems logical to appoint a Negro to a position of authority over a sport which is dominated by Negro performers." Dr. Powell is not only a boxing commissioner and insurance executive, but is also a newspaper publisher and x-ray consultant. He was instrumental in rescuing the old Victory Life of Chicago and converting it to a mutual company on a sound basis.

Lieut. Comm. W. H. Siegmund, who is general agent of Connecticut Mutual Life in Los Angeles, was host to his friends at the commissioning of his new command, the U. S. S. "Acree." Several officials from the home office attended the ceremonies.

F. J. Budinger of Chicago, manager of Franklin Life, is district governor of Rotary. He has 54 Rotary clubs in northern Illinois under his jurisdiction. He is active in the organization and well known in Rotary circles. A few years ago R. E. Vernor, manager of the fire protection prevention department of the Western Actuarial Bureau, Chicago, was district governor.

Col. D. Gordon Hunter, vice-president of Phoenix Mutual Life, just returned from the Staff and Command School at Fort Leavenworth, Kan., addressed the Advertising and Printing Crafts of the Hartford Chamber of Commerce on "Global Aspects of the War" at a dinner meeting.

Miss Lorraine Sinton, sales promotion manager for the Paul W. Cook Agency of Mutual Benefit Life in Chicago, has qualified for the Women's Quarter Million Dollar Round Table and will attend the sessions of that body in Pittsburgh at the time of the National Association of Life Underwriters meets. She will be one of the speakers on the panel discussion of "Special Markets" which is part of the women's day program of the big convention. She is a director of the Chicago Association of Life Underwriters and serves as chairman of its bulletin committee. She is also a member of the committee on life insurance information of the N. A. L. U. This will be her second appearance on the National association program as she appeared on its platform following the publication of her book "Practical Prestige Building." She is a C. L. U. 1926. Miss Sinton is a graduate of the University of Chicago and entered life insurance with the old Drew agency of Mutual Benefit. She became editor of its house organ and also wrote considerable of its promotional literature.

The Cook agency stands in third place



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"YOU'RE SEVEN YEARS OLD, TODAY - AND SO IS YOUR EDUCATION INSURANCE!"

in the company for the year to date. It was first in two of the six months.

Henry W. Tryloff of Mount Clemens, Mich., well-known agent of Sun Life of Canada, has retired on pension after 36 years of outstanding service. **Seth C. H. Taylor**, superintendent of agencies, in making a presentation to Mr. Tryloff on behalf of his colleagues, referred to the outstanding loyalty and success of his service throughout a long and honorable career in which he qualified 27 times for the "Big Producers" Club, the last time in 1943.

DEATHS

Wylie J. Rouse, 84, former Los Angeles general agent for Guardian Life, appointed in 1902, who retired in 1928, died there.

Lieut. Erich Mahringer, Jr., 26, formerly at the home office of Northwestern Mutual Life, who entered the army with the Wisconsin national guard three years ago, was killed on maneuvers at Camp Phillips, Kan., when a jeep in which he was riding overturned.

John C. Green-Armytage died suddenly at his home in Winnipeg, Can. He had been in good health. Death was caused by a heart attack. Prior to his retirement he was with Confederation Life as divisional manager for 17 years. Earlier he was with Equitable Society for 20 years as general agent in Winnipeg. This connection was terminated when the company withdrew from Canada in 1920, at which time he was operating its only general agency in Canada. As the Equitable changed to a branch office system of operation Mr. Armytage remained, as a general agent, a member of the General Agency Association, which numbered in its ranks at that time many of the outstanding men in the insurance world. **H. A. H. Baker**, now assistant general manager of Great-West Life, acted with Mr. Armytage in Winnipeg as associate general agent of Equitable. Mr. Armytage was not only an efficient agency builder, but was one of the "greats" among personal producers in the earlier days of life insurance.

William B. Dresler, Nebraska state manager for World of Omaha, died suddenly at the age of 45. He had been

with World since 1934, previously having been with Federal Life. He served for a time as manager of the field service department and since 1941 had been Nebraska manager.

Clyde Chaddick, 55, of the San Antonio agency of Lincoln National Life, one of the leading producers of the company for a number of years, died there. He had been inactive in the sales field the past few years because of a heart condition.

Elmer L. Moore, 58, formerly with Capitol Life of Denver at the home office and later with Liberty Life of Topeka, going to San Antonio several years ago as general agent of Liberty Life, died from a heart attack.

James L. Clark, who was manager at Oshkosh, Wis., for Wisconsin National Life until about a year ago, when he became a student aviation instructor, was killed in an airplane crash near Albany, Ga. His student instructor met death in the same accident. He was 39 years of age. He attended the University of Wisconsin and then became manager of Wisconsin National in Oshkosh in 1930.

Harry J. McFarland, 72, Davenport, Ia., postmaster and well known in the life insurance field, died there following an extended illness. For many years he was associated with Guaranty Life, later taken over by Occidental Life, starting as cashier and later serving as general agent.

SALES MEETS

Home Front Effort Urged on Ohio National Men

"Our job is on the home front. Let's do it to the best of our ability," was the advice given by **A. S. Brennan**, Saginaw, Mich., agency manager, in his "speech" at the second session of Ohio National Life's 1943 convention by mail, which continued a discussion of the convention theme, "Life Insurance in Wartime."

"Today's Best Markets for Life Insurance Sales" was the general discussion subject. **Fred E. Kramer**, director of the Erie, Pa., agencies, reviewed

conditions affecting the present life insurance market. He specifically mentioned OWI's recent recommendation of life insurance in the program of economic stabilization to keep down the cost of living.

H. R. Lindenger of York, Pa., "spoke" next on today's prospective buyers, naming the women's market as the most important, and including not only business and professional women, but skilled women workers who are taking men's places in war industries as well.

The third "session" Aug. 30 will include a round-table discussion on "Meeting the Objections of the War-Disturbed Prospect."

Penn Mutual Educational Parley at Des Moines

A group of midwestern general agencies of Penn Mutual Life held an educational conference in Des Moines August 23-24. The agencies included were Davenport, Des Moines, Waterloo and Omaha.

Warner Haldeman, associate counsel of Penn Mutual, participated in the program, covering estates, taxes, etc. **Don Ross**, merchandising manager of the Meredith Publishing Company, talked on "The Farm Market."

E. P. Connolly, general agent at Des Moines, was in charge of arrangements.

Mutual Life Regional Is Held in Salt Lake City

A three-day regional conference of Mutual Life for 11 Pacific, northwest and intermountain states was held in Salt Lake City, with nearly 100 managers, agency organizers and Field Club members attending. Speakers included **A. E. Patterson**, executive vice-president; **J. Roger Hull**, vice-president and manager of agencies, and **W. C. Mulendore**, Los Angeles, company trustee

and executive vice-president of the Southern California Edison Company.

Vice-president **Hull** declared that "service to policyholders has become much more than a phrase in the life insurance business today," and that "service means not only attention on the part of the field underwriter, but on the part of the life insurance company as well."

He also spoke of a new compensation plan for the field force, now being considered. **C. E. Bechtell**, manager of the Salt Lake office, was host.

Reno Educational Meeting

The **Robert R. Reno, Jr.**, agency of Equitable Society held its annual educational conference at Lake Delton, Wis., for three days. There was a round-table discussion of up-to-date sales methods. At the get-together dinner **Dan Mason**, representing the home office, was speaker.

CHICAGO

SCHUTZ WITH RESERVE BANK

Clarence J. Schutz, who was agency secretary of the old Illinois Life and for 20 years with that company, more recently an independent auditor, has joined the Federal Reserve Bank in Chicago to take charge of checking the reports on war damage insurance written by the fire companies which are acting as fiduciary agents for that line.

DUMPING OF WAR BONDS

Life insurance men predict that when the war is over and more normal conditions prevail there will be a monumental dumping of defense bonds on the government. People are now buying these bonds because they cannot purchase all the goods they desire. They cannot buy an automobile, refrigerator, vacuum cleaner and many other things.



Because Working General Agents

have little use for easy swivel chairs and elaborate offices, the overhead savings are substantial; and, under the Western Life plan of agency building the savings are applied to Fieldmen's contracts to enable them to earn better than an average living. The plan works—and the record of the past eight years we have been following it will satisfy the most skeptical.

Our plan of operation appeals to the producer of \$100,000 and up, particularly in these days of rising living costs. General agency openings in California, Oregon, Washington, Idaho, Montana, Utah and Wyoming. Check our financial statement.

WESTERN LIFE INSURANCE COMPANY

HELENA

Since 1910

Assets \$17,580,470

Surplus to Policyowners \$2,600,000

R. B. Richardson
President

MONTANA

Lee Cannon
Agency Vice President

However, life agents are telling prospects that if they purchase insurance they are doing two things. In the first place they are building up a permanent estate and next they are purchasing war bonds indirectly because the life companies are buying these bonds. Therefore if one is seeking permanency life insurance is the way out. It cannot be dumped on the market like bonds. Many prospects are viewing the field from this angle.

LIFE INSURANCE UPTURN

In most Chicago offices life insurance is giving a far better account of itself and the year will probably round out as fairly successful. A few months ago the business was more or less in the doldrums. Evidently more people are making more money and while most companies have not tapped directly the so-called war and defense workers yet the money they are spending is bringing prosperity to a number of different lines. Then again the people are not paying automobile installments or similar payments on refrigerators, vacuum cleaners, furniture, and so on. Many of them

now believe that this is the time to create at least a small estate or do some saving. They feel perhaps that life insurance is the safest method to accomplish this end. There is a far better feeling among the agents.

STRONG AGENCY IS FOURTH

The Sherman M. Strong general agency of John Hancock Mutual Life in Chicago finished fourth among that company's agencies in total paid business for the first seven months this year and led the entire organization for that period in paid for annual premium annuities. In the last approximately two years the agency has risen from 66th place nationwide in John Hancock. Darwin A. Medaris, a John Hancock production man of long experience, became an active factor in the Strong agency about two years ago under its new setup and has contributed much to the growth. He has helped to develop a large volume of pension trust as well as regular business and has been especially effective in securing much business from brokers.

LIFE AGENCY CHANGES

Mass. Mutual Names Bowles, Hathaway as General Agents

Massachusetts Mutual Life has appointed M. H. Bowles general agent at Bangor, Me., and H. C. Hathaway at Portland, Me. They are the son and son-in-law respectively, of the late Harvey W. Bowles, who until his recent death had been general agent at Bangor

business. When the Bangor office was given charge of the Portland territory in 1934, he was appointed associate general agent at Portland in direct charge of operations there. He attended Boston University.

Both the new general agents have taken a prominent part in association and civic activities in their respective communities. Mr. Bowles is a director and past president of the association for eastern Maine, and past national committeeman for the state association, while Mr. Hathaway has held various offices in the southern Maine association, was its president in 1941-2, and vice-president of the state association in the same year.

Holman Named by Conn. Mutual

William H. Holman, Jr., has been appointed by Connecticut Mutual Life as general agent in New York City, succeeding William L. Boyce, who resigned in March.

Mr. Holman is well known in the New York life insurance field and is considered an authority on life insurance and tax matters. He entered life insurance in 1923 as a part-time agent. In 1929 he was made assistant to the manager of Equitable Society in Baltimore. In 1938 he became agency supervisor of Connecticut Mutual in New York City and in his first year in the post was runner-up for the Frederick O. Lyter award which goes each year to the leading supervisor in organization development. He always has ranked high among the company's supervisors.

He is a firm believer in a systematic program of study and in Baltimore organized a self-improvement club for life agents which met once a week to hear lectures.

Connecticut Mutual has four general agents in New York City, the others

North American Opening a New Agency in Chicago



MAX LAMBERT

In 1918 Secretary W. O. Morris of North American Life of Chicago hired a 16-year-old boy as office boy at the head office. Max Lambert proved to be an exceptional lad and used his time to improve his status. He advanced himself both in and out of the office. He completed his high school course, his pre-legal training, the four-year law course in the evenings. He passed with high honors his bar examination. In the office he was advanced to chief loss clerk, chief loan clerk, assistant manager of the policyholders service department, manager of that department, assistant manager of the mortgage loan department in charge of Chicago loans.

This month the Lambert Agency was established, being located at 6228 Broadway in Chicago. It is interesting that the two agency managers in Chicago, Harry Miller and Max Lambert, both started with the company as 16-year-old boys and both after spending 25 years at the home office become agency managers. Mr. Miller is manager of the northern Illinois agency.

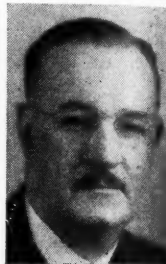
being J. M. Fraser, H. F. Gray and M. M. Goldstein.

Rainey Resigns Guardian Post

J. L. Rainey, Indianapolis manager of Guardian Life since 1930, has resigned. While he has not announced

Davisson to Am. United Post in Detroit

R. C. Davisson has been appointed agency manager of American United Life at Detroit, and has taken over the management of the company's office at 1026 Lafayette building. For the past seven years Mr. Davisson has been general agent of Federal Life of Chicago in Detroit. Before that Mr. Davisson was engaged in supervisory work for the old Bankers Reserve Life of Omaha. He has had an extended life insurance experience, both as a personal producer and as general agent and manager.



R. C. Davisson

his plans for the future, he will probably continue with Guardian for the present as a personal producer. Mr. Rainey is well known through his service in the home office agency department of Missouri State Life. He also had charge for some time of accident and health sales.

He went to Indianapolis in 1931 to become manager of Guardian and has brought the agency there from next to last place into the upper ranks. He has served as president of the Indianapolis Association of Life Underwriters.

Scott Sacramento Supervisor

Ralph Scott has been appointed supervisor of the Sacramento office of Occidental Life of California and will work with Manager Irvin Barr in recruiting and training agents.

Mr. Scott has had more than 20 years of life insurance experience. Born and



H. C. Hathaway



M. H. Bowles

since 1913, and also at Portland since 1934.

M. H. Bowles entered the life insurance business as a part-time agent for Massachusetts Mutual at Philadelphia while a student in the Wharton School the University of Pennsylvania. Following his graduation in 1925, he returned to Bangor as a full-time producer in his father's agency. Later he served in a supervisory capacity. His personal production has consistently ranged between \$200,000 and \$300,000. He is a C. L. U.

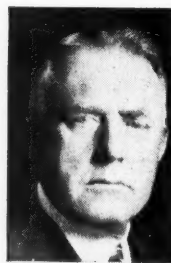
Mr. Hathaway, formerly in the employ of the Boston Consolidated Gas Company, entered the life insurance business in 1929 as cashier in the Massachusetts Mutual agency at Bangor. He devoted his spare time to personal selling, and wrote a substantial volume of

It's a Toss-up!
When a Company
has all-time-high
production records
in two out of four
months it's either
good territory or
good field-force.
We claim it's both.

Battle Creek Team

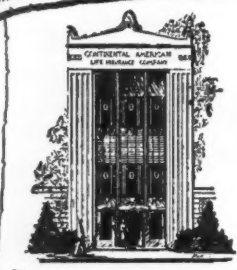


J. E. Bromley



Chas. S. Jones

The new Massachusetts Mutual general agency team of Charles S. Jones and John E. Bromley starts operations in Battle Creek, Mich., Sept. 1. Charles S. Jones, who has been general agent there for 26 years, is being joined in the management by John E. Bromley, who has been in the business since 1929 and has made his mark as a personal producer and supervisor.



✓ Check the POINTS OF EXTRA PROTECTION

Continental American

LIFE INSURANCE COMPANY

WILMINGTON, DELAWARE

A. A. Rydgren, President

Max S. Bell, Agency Vice President

Guardian Life
Insurance Company

Home Office, Madison 1, Wisconsin

educated at Fresno, Cal., he was for 15 years an accountant and traveling auditor for the Southern Pacific Railroad. He went with Equitable Society in 1923 and worked from its San Francisco office until 1929, when he was promoted to manager in Sacramento. He re-

signed in 1942 to become loan correspondent for several life insurance companies in northern California and Nevada. He is a past president of the Sacramento Life Underwriters Association and has been active in association work.

NEWS OF LIFE ASSOCIATIONS

Pennsylvania Association Holds Regional Conferences

The first of a scheduled series of regional conferences for past and present officers, directors and committee chairmen of Pennsylvania local associations was held at Easton and attended by 22 officers from the Lehigh Valley, Monroe county and Easton associations. The conferences are sponsored and arranged by the Pennsylvania Association of Life Underwriters. John H. Bream, executive secretary, acted as director of the conference and reviewed recent developments in the field of federal regulations, particularly manpower developments, 5% wage order and the Bridges bill.

Jules Cromarty, one of the oldest active members of the Easton association, opened the conference, reviewing association objectives and accomplishments. Russell Kirby, a member of the state executive committee and for many years secretary-treasurer of the state association, led the discussion on budget and finance. The program of the national convention in Pittsburgh was reviewed and the requirements for qualification of delegates were explained.

Building New Association

William Neyhart, president of the Monroe county association, organized last December, told of his experience as the first president of a new association. Roger Graver, president of the Lehigh Valley association, conducted the panel discussion on programs and meetings. Paul Gerhardt, a director of the Lehigh Valley association, told how certain types of general or public meetings may be utilized successfully in conjunction with membership campaigns.

Richard Barrington, immediate past president of the Lehigh Valley association, and Roger Connors, immediate past president of the Easton association, war bond chairmen in their respective counties, reviewed this vital work.

The extensive membership program, designed by Max Stevenson, state membership chairman, was outlined to the delegates and received their hearty approval. Joseph Collier, publicity chairman of the Easton association, commented briefly on current public relations possibilities.

Other regionals are set for Reading Aug. 26, Wilkes-Barre Aug. 27, and Altoona Aug. 30. Three more will be held early in September at Lancaster, Sunbury and Oil City.

Plans Made for Southeast Kansas Sales Congress

PARSONS, KAN.—A meeting to make plans for the Southeast Kansas Life Underwriters Sales Congress was held in Parsons. It was called by John Kerns, Pittsburg, Northwestern Mutual Life, with F. C. Kirkpatrick, Travelers, Parsons, as temporary chairman.

Mr. Kirkpatrick thanked those present for attending the meeting and especially those that had driven from neighboring towns. He also expressed the appreciation of the Parsons association for the cooperation received in making the sales congress, held last year in Parsons, so successful.

It was decided that the congress will be held in Chanute Oct. 14, 21 or 26, depending on which date is found advantageous. Mr. Kerns will be general chairman of the congress and Ralph Willcott, Business Men's Assurance, Chanute, will act as publicity chairman. It was felt that if ever there was a

time when a sales congress should be held, it is this year. Speakers will be secured who will talk on subjects that are most vital at this time.

Association leaders attended from Parsons, Chanute, Coffeyville, Pittsburg and Independence.

Stage Michigan Training School in Three Divisions

DETROIT—The local officers' training school, which has been an annual project of the Michigan Association of Life Underwriters, will be conducted this year on an even more ambitious basis than in the past, according to Chairman E. P. Balkema, manager of Northwestern National in Detroit and past president of the state association.

Three separate sessions will be held in three different sections of the state so that all local association officers and committee chairmen may attend. All sessions cover the same agenda.

The first will be held in Jackson Sept. 2, to which executives and committeemen of the Ann Arbor, Lansing, Detroit, Battle Creek and Jackson associations will be invited. Sessions will be held the following day in Grand Rapids for Benton Harbor, St. Joseph, Muskegon, Kalamazoo and Grand Rapids. The third will be held in Saginaw the same day (Sept. 3), with delegates from the Bay City, Flint, Pontiac, Detroit and Saginaw associations. Detroiters have been invited to either of the two nearest meetings which best suits their convenience and time.

The intensive course in the duties of activities of the various officers and committee chairmen will comprise a complete outline of the work of a successful association. The faculty for the sessions will consist of H. B. Thompson, secretary-counsel; Harold Brogan, past president; William Nicholls, Jr., vice-president; Charles Milner, president, and Mr. Balkema.

To Plan in Chicago Sept. 2

Committees and the advisory council of the Chicago Association of Life Underwriters will make final plans for the

year at a meeting Sept. 2. President Louis Behr asked members in the critical war period to stimulate committee activity by new ideas and suggestions. More than 350 agents are on the committees this year. J. D. Moynahan, Metropolitan, and George L. Grimm, New England Mutual, vice-presidents, will divide much responsibility by working directly with chairmen.

Huntingdon County, Pa.—The newest local association in Pennsylvania was organized at Huntingdon as the last official act of Past State President W. S. Tiffany. These officers were elected: President, Clair C. Johnson, Metropolitan Life, Huntingdon; vice-president, David C. College, Washington National, McConelstown; secretary, Richard J. Behmer, Baltimore Life, Huntingdon; treasurer, Walter H. Settle, Prudential, Huntingdon; national committeeman, Milton Roth, Huntingdon.

The association, formed with a membership of 20, now has 27 members.

Northeast Nebraska—Ralph T. Walker, Bankers Life of Nebraska, Norfolk, has been elected secretary-treasurer.

Baton Rouge, La.—Officers elected are: E. M. Boon, president, Metropolitan Life; E. R. Waller, vice-president, Guaranty Income Life; Helen A. Pendergast, secretary, Mutual Life; Lee Herzberg, treasurer, Equitable Society.

Plans are being laid for active participation in the bond drive opening in September. The association reports a gain in new members in spite of a loss of many members to the armed forces.

Dallas—C. J. D. Rudolph, Southland Life, has been elected a director, succeeding Wylie B. Sims, Aetna Life, who was named secretary.

Northern New Jersey—The luncheon meeting of directors scheduled for Aug. 23 has been postponed to Aug. 30.

MANAGERS

Brown Tells How He Builds, Maintains Agency Morale

DETROIT—The building and maintaining of agency morale is the No. 1 problem in the field of agency management. C. E. Brown, Grand Rapids manager of Mutual Life, told the Associated Life General Agents & Managers. A. P. Johnson, Great-West Life, presided.

If the men in an agency are happy, they produce, Mr. Brown declared, and if they produce, they make money and remain happy. It is a vicious circle in

reverse. Among the many factors that aid in maintaining morale are the appeal to the men's pride of accomplishment and the development of a competitive spirit.

It is wise to issue a regular agency bulletin, showing just what each man has accomplished and what progress he is making. It must be impressed upon agents that they are not working for the general agent; the fact is, the general agent is working for them!

Agents should be impressed with the thought that they are working not for themselves but for the sake of their wives and children, so that they may have all of the necessities and some of the luxuries of life. It is well to stress that the agent should sell life insurance chiefly for income replacement and meeting death expenses.

Suggestions on Recruiting

In recruiting, be sure to bring in only that type of man who will fit in with the men already on the staff, he advised. "Let the older agents talk with and size up the prospective agent before you close with him. This procedure will do much to prevent feuds in the agency at a later date. Don't keep any unfit men in the agency, no matter how well you like them; don't attempt to run a reform school. If a man has ingrained bad work habits or his character has undesirable angles, don't think for a minute that you can straighten him out. You might be able to do so, but the chances are that you cannot, and whether you do or not, your agency morale is likely to suffer because of it."

"All of your office force should be taught the rudiments of public relations and should be impressed with the need for courtesy in handling the public. Everyone handling policyholders' correspondence should be prospect-minded."

Mr. Brown sends questionnaires to his agents on agency matters, to get their slant and to show them that he values their advice. By using these methods he has built up his agency from \$31,300,000 in force in 1937 to \$41,000,000 in 1942. Of this business, 87.9% was issued on a standard basis, 7.9% sub-standard and only 2.1% of the business submitted was declined.

Three-Ring Session for Cashiers

At the August luncheon meeting of the Detroit Life Agency Cashiers Association, with a large attendance, three simultaneous round-table discussions were staged, with members sitting in on whichever interested them most. Douglas Anderson, Phoenix Mutual, conducted the discussion on handling overdue payments and service to policyholders; Paul E. Clark, Massachu-

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(Including Deferred Annuities)

ASSETS, 221 MILLION DOLLARS

LIFE

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setts Mutual, conducted that on personal problems and Miss Rebecca Rissmann, Mutual Benefit, handled the discussions of counter and telephone technique.

RECORDS

Columbus Mutual Life—New business in August to date is $2\frac{1}{2}$ times that for the corresponding period a year ago. An increase of 70% was scored in July. Fieldmen in northeastern Ohio and Michigan have been competing in an interesting contest. Their total production has exceeded \$1,000,000.

Life insurance in force now totals \$157,000,000, assets \$45,500,000. In addition to 80,500 life policies, there are outstanding 250,000 accident contracts.

Renewals never were as satisfactory as this year. There have been gratifying decreases in requests for policy loans. Premium extension requests this year are only about 15% of what are considered normal. The total in the advance premium deposit fund is now \$2,000,000.

Business Men's Assurance—It reports the largest month's business this year in July with a gain of 35% and an increase of 20% for the seven months. This total of production for one month has not been exceeded since the President's month campaign in November, 1938.

Thirteen of the 20 branch offices reported new production records for July. J. P. Baldwin, vice-president and manager of the San Francisco branch, led in production. The individual leader on new paid premiums was Manager Robert Sanders of San Diego, and L. Irl Robinson of Spokane led in production of new paid life insurance.

National Life, Vt.—A plus sign of 26.14% was recorded for July this year over July, 1942. This makes a string of five plus signs in a row: March, 6.86; April, 34.21; May, 34.65; June, 55.39, and July, 26.14%. The amount of insurance in force continues to show substantial increases to a total of \$629,480,245, as of July 31.

Security Mutual Life, Neb.—New business in July increased 65% over the same month of 1942 and the first seven months the increase was 51%. Insurance in force increased in that period about \$2,750,000 and now totals \$45,000,000.

IN U. S. WAR SERVICE

Richard Thomas of the Murphy & Mage agency of the Northwestern Mutual Life in Los Angeles, was guest of honor at a luncheon, given by the agency on reporting for duty as an ensign in the navy.

Lieut. Trumbull Huntington, son of Robert W. Huntington, chairman of Connecticut General Life, was a member of the crew of the Flying Fortress, "Double Trouble Second," which took part in the recent raid on Bonn.

W. S. Smallwood, formerly with Prudential in Nashville, now in the army air service command at Lakeland, Fla., has been promoted from captain to major.

Lieut. Philip H. Gillis, son of Alexander F. Gillis, general agent of Provident Mutual Life, formerly with his father's agency, was the guest of honor at a dinner in Newark which was attended by Mr. and Mrs. Gillis and members of the agency. Lieut. Gillis,

Latest Policy Changes

By JOHN H. RADER

The National Underwriter is the only weekly insurance newspaper providing its readers with important last minute policy and dividend changes. Compiled by John H. Rader, National Underwriter statistician, these weekly reports supplement the data contained in the Little Gem, published in April at \$2.50 a copy, and the Unique Manual-Digest, published in June at \$5 a copy.

Franklin Life Goes on 3% Basis

Franklin Life in September will go to a 3% reserve basis for all new policy issues and will completely revise rates and values. Term policies, except the 20 year exchangeable, non-renewable term, remain unchanged.

This company has a full assortment of participating and non-participating policies, written from ages one day to 65. Family income plans require the extra premium for 15 years under the 20 year plan; 12 years for the 15 year plan, and eight years under the 10 year plan. The insurance annuity is the usual retirement income type of contract providing, at maturity, a \$10 monthly life income guaranteed for 120 months.

The "Economist" plan is a life expectancy with provision for automatic conversion to whole life five years before end of expectancy period with an increase in premium rate at that time. The minimum amount written under this plan is \$2,000. The preferred risk ordinary life, also, is not written for less than \$2,000.

Premium rates for six popular poli-

who is with the air corps at Fort Myers, Fla., is on leave.

Thomas E. McKenzie, formerly with the home office of Commonwealth Life, is now a petty officer second class in the navy, on active duty as an aerial gunner with the Pacific fleet.

Lieut. William L. McKechney, former special agent of the Hobart & Oates general agency of Northwestern Mutual Life in Chicago, who has been in naval service since June, 1941, and saw much of the action in the South Seas, is on leave visiting his mother, Mrs. Caroline L. McKechney, in Chicago and renewing acquaintances at Hobart & Oates. He was in charge of the crew of an anti-aircraft battery on the cruiser "Helena" which took part in the Kula Gulf battle of July 5-6 and was sunk by torpedoes. He joined the ship just after Pearl Harbor and participated in the battles of Oct. 11-12 in which eight Japanese ships were sunk, the air attack of Nov. 12 in which 25 Japanese planes were shot down and the night engagement of Nov. 13 in which the "San Francisco" was heavily damaged, as well as six or more bombardments of shore installations at Munda. Lieut. McKechney is a graduate of Abbot Hall in Chicago and previously attended the law school of Loyola University there. He first had insurance experience with Joyce & Co., Chicago, of which his father, the late John McKechney, was vice-president.

C. B. McKenzie, Waxahachie, Tex., agency supervisor of Protective Life, is now serving as a lieutenant in ground forces of the air corps at Biloxi, Miss.

Franklin Life Holds Annual Picnic

Franklin Life held its annual home office picnic at Oakcrest Country Club, Springfield, Ill. A fried chicken dinner was served and approximately 300 persons attended.

A half-holiday was proclaimed by President C. E. Becker and festivities began shortly after noon. Golf, badminton, softball and horseshoes were included in the afternoon's program, while dancing, bingo, and a community sing highlighted the evening's entertainment.

cies in both the participating and non-participating departments are:

Non-Participating Rates									
Age	Pref. Risk	Ord. Life	Ord. Life	20 Pay Life	Doub. Life	Ins. Econo- to 65	Ins. Econo- mist	Fam. Inc. 20 yr. Rider	
10	11.63	12.70	12.17	21.30	8.88	....	....	....
15	12.81	14.09	22.86	22.87	9.50	....	....	....
20	14.29	15.71	24.75	24.80	10.37	5.76	....	....
21	14.62	16.07	25.17	25.24	10.51	5.84	....	....
22	14.98	16.45	25.59	25.69	10.66	5.91	....	....
23	15.36	16.86	26.04	26.17	11.00	5.98	....	....
24	15.75	17.28	26.51	26.67	11.16	6.06	....	....
25	16.16	17.72	26.98	27.19	11.34	6.15	....	....
26	16.59	18.19	27.47	27.74	11.79	6.24	....	....
27	17.06	18.68	27.99	28.31	12.03	6.36	....	....
28	17.53	19.19	28.52	28.90	12.28	6.48	....	....
29	18.03	19.73	29.06	29.53	12.83	6.63	....	....
30	18.57	20.29	29.64	30.18	13.11	6.82	....	....
31	19.13	20.89	30.23	30.87	13.45	7.03	....	....
32	19.72	21.52	30.84	31.59	13.80	7.28	....	....
33	20.34	22.17	31.48	32.35	14.51	7.58	....	....
34	21.00	22.87	32.14	33.14	14.91	7.91	....	....
35	21.70	23.61	32.84	33.97	15.34	8.29	....	....
36	22.44	24.39	33.56	34.85	16.20	8.73	....	....
37	23.21	25.21	34.31	35.77	16.69	9.22	....	....
38	24.05	26.08	35.10	36.77	17.21	9.77	....	....
39	24.92	26.99	35.92	37.83	17.76	10.37	....	....
40	25.85	27.97	36.79	39.01	18.87	11.05	....	....
41	26.84	29.00	37.70	40.30	19.53	11.80	....	....
42	27.89	30.10	38.64	41.65	20.23	12.63	....	....
43	29.01	31.26	39.65	43.08	20.98	13.54	....	....
44	30.20	32.50	40.72	44.59	22.44	14.55	....	....
45	31.47	33.82	41.83	46.17	23.31	15.65	....	....
46	32.76	35.10	42.94	47.87	24.19	....	....	....
47	34.13	36.45	44.12	49.73	25.91	....	....	....
48	35.60	37.91	45.37	51.71	26.94	....	....	....
49	37.16	39.45	46.69	54.05	28.04	....	....	....
50	38.84	41.09	48.10	55.96	29.20	....	....	....
51	40.61	42.83	49.53	58.11	31.39	....	....	....
52	42.50	44.68	51.03	60.28	32.70	....	....	....
53	44.52	46.66	52.65	62.41	34.09	....	....	....
54	46.69	48.76	54.38	64.54	36.77	....	....	....
55	48.98	51.00	56.23	66.70	38.40	....	....	....
56	51.34	53.40	58.21	....	40.07	....	....	....
57	53.87	55.95	60.35	....	43.22	....	....	....
58	56.56	58.66	62.64	....	45.17	....	....	....
59	59.44	61.57	65.12	....	47.25	....	....	....
60	62.51	64.68	67.78	....	51.07	....	....	....
65	80.62	83.72	....	....	....	....	....	....

Participating Rates									
Age	Pref. Risk	Ord. Life	Ord. Life	20 Pay Life	End. At 65	Ins. Ann. to 65	Ins. Ann. to 60	Ins. Ann. to 60	Ins. Ann. to 60
10	15.48	16.44	25.99	18.84	21.70	27.05	....	....	....
15	16.75	17.81	27.69	20.67	24.35	31.14	....	....	....
20	18.35	19.51	29.70	23.01	27.74	36.47	....	....	....
21	18.71	19.90	30.15	23.56	28.54	37.73	....	....	....
22	19.10	20.30	30.60	24.13	29.36	39.06	....	....	....
23	19.51	20.73	31.07	24.74	30.26	40.49	....	....	....
24	19.94	21.18	31.52	25.38	31.18	41.99	....	....	....
25	20.38	21.64	32.08	26.06	32.18	43.60	....	....	....
26	20.85	22.14	32.60	26.78	33.22	45.31	....	....	....
27	21.35	22.65	33.16	27.54	34.33	47.13	....	....	....
28	21.86	23.19	33.72	28.34	35.51	49.09	....	....	....
29	22.41	23.76	34.30	29.20	36.77	51.19	....	....	....
30	22.99	24.35	34.92	30.11	38.11	53.43	....	....	....
31	23.60	24.99	35.55	31.09	39.53	55.85	....	....	....
32	24.24	25.65	36.20	32.12	41.05	58.45	....	....	....
33	24.91	26.34	36.88	33.22	42.67	61.25	....	....	....
34	25.63	27.08	37.59	34.41	44.42	64.29	....	....	....
35	26.39	27.84	38.34	35.68	46.29	67.59	....	....	....
36	27.21	28.73	39.15	37.20	48.30	71.18	....	....	....
37	28.07	29.69	40.00	38.84	50.47	75.11	....	....	....
38	28.99	30.70	40.89	40.54	52.81	79.40	....	....	....
39	29.97	31.76	41.81	42.37	55.34	84.11	....	....	....
40	30.99	32.89	42.79	44.36	58.08	89.33	....	....	....
41	32.10	34.09	43.82	46.51	61.07	95.11	....	....	....
42	33.25	35.37	44.90	48.86	64.33	101.55	....	....	....
43	34.50	36.69	46.04	51.43	67.92	108.78	....	....	....
44	35.82	38.08	47.25	54.25	71.85	116.94	....	....	....
45	37.22	39.56	48.52	57.35	76.18	126.18	....	....	....
46	38.74	41.12	49.87	60.78	80.97	136.81	....	....	....
47	40.37	42.79	51.31	64.58	86.33	149.09	....	....	....
48	42.10	44.57	52.83	68.85	92.34	163.39	....	....	....
49	43.95	46.47	54.45	73.61	99.10	180.38	....	....	....
50	45.94	48.48	56.17	79.01	106.75	200.75	....	....	....
51	48.04	50.63	58.01	85.14	115.50	....	....	....	....
52	50.28	52.91	59.97	92.20	125.62	....	....	....	....
53	52.68	55.35	62.06	100.38	137.43	....	....	....	....
54	55.25	57.95	64.29	110.01	151.34	....	....	....	....
55	57.99	60.72	66.69	121.49	167.98	....	....	....	....
56	60.91	63.68	69.26	....	....	....	....	....	....
57	64.04	66.84	72.01	....	....	....	....	....	....
58	67.33	70.21	74.98	....	....	....	....	....	....
59	70.97	73.83	78.16	....	....	....	....	....	....
60	74.81	77.69	81.60	....	....	....	....	....	....
65	98.55	101.48	103.31	....	....	....	....	....	....

into one policy jacket life and accident and health insurance.

One unit of this insurance, for example, would pay the insured for disability before age 60 until he has collected up to \$5,000. For sickness or accident \$100 per month from first day up to three months for hospital confinement, plus \$100 per month after 90th day of total disability, followed by \$50 per month for up to six months for partial disability.

It would pay his family following his death from any cause before age 60 at the rate of \$100 per month for 53 months or \$5,000 in cash, and for his death from any cause after age 60 would pay \$50 per month for 53 months or \$2,500 in cash. At age 60 the insured may cease making deposits and continue to protect his family for a lesser amount. The life insurance is double to age 60.

The maximum indemnity permissible is \$200 per month including any disability benefits carried with Continental Assurance and the maximum limit for participation is \$500 per month total accident and sickness and disability benefits in all companies. All risks must be medically examined. The premium rates for male risks only, with the amount of paid up life insurance and cash or loan available at age 60, are:

Age	Before		Available	
	Age 60	After	At Age 60	At Age 60
	Ex. Age Select	Ex. Pref.	Age 60	Paid Up Cash or Loan
20	\$85.96	\$88.48	\$55.68	\$1,735.00 \$1,152.50
21	87.30	89.88	56.58	1,715.00 1,140.00
22	88.70	91.32	57.50	1,697.50 1,127.50
23	90.16	92.82	58.48	1,677.50 1,115.00
24	91.69	94.41	59.50	1,660.00 1,102.50
25	93.27	96.04	60.55	1,637.50 1,087.50
26	94.94	97.78	61.68	1,615.00 1,072.50
27	96.68	99.58	62.83	1,592.50 1,057.50
28	98.53	101.48	64.05	1,565.00 1,040.00
29	100.44	103.45	65.30	1,542.50 1,025.00
30	102.50	105.59	66.65	1,512.50 1,005.00
31	104.70	107.86	68.10	1,487.50 987.50
32	107.01	110.25	69.60	1,457.50 967.50
33	109.50	112.82	71.23	1,422.50 945.00
34	112.22	115.64	73.03	1,387.50 922.50
35	115.32	118.84	75.13	1,355.00 900.00
36	118.68	122.30	77.43	1,317.50 875.00
37	122.38	126.12	80.00	1,275.00 847.50
38	126.48	130.34	82.88	1,235.00 820.00
39	130.94	134.92	86.03	1,190.00 790.00
40	135.83	139.96	89.50	1,145.00 760.00
41	140.60	144.80	92.75	1,095.00 725.00
42	145.20	149.65	95.70	1,035.00 685.00
43	149.62	154.26	98.33	955.00 635.00
44	153.76	158.59	100.80	885.00 587.50
45	158.47	163.51	103.05	805.00 535.00
46	163.98	169.26	106.18	745.00 495.00
47	169.97	175.51	109.55	677.50 450.00
48	176.31	182.14	113.00	612.50 407.50
49	183.07	189.22	116.55	545.00 362.50
50	190.24	196.74	120.13	477.50 317.50

August 27, 1943

sary nearest the 55th birthday of the insured.

New policy forms will contain this provision and it will be available at the time of surrender on policies previously issued at present premium rates.

Details of Five-Year Plan

The new special five-year savings plan of Franklin Life is in reality a 10-payment, 20-year endowment, to which is attached a premium deposit provision so that the insured may make a deposit with each of the first five years' premiums. The amount of such deposit is the discounted value of a premium paid five years hence. For example, at age 35 the regular premium is \$82.14 per thousand. If the insured wants to complete deposits in five years, then the total amount to be deposited is \$154.74 consisting of the regular annual premium and \$72.60 representing the discounted value at 2½% of premium due five years hence.

In event of death during the 10 year premium paying period, the discounted value of any unearned premium at date of death will be returned to the beneficiary in addition to the principal sum insured. For instance if the insured should die at the end of the first death benefit would be \$1,074, fifth year \$1,391.15; sixth year \$1,316.74; seventh year \$1,240.46; eighth year \$1,162.28; ninth year \$1,082.14; tenth year and thereafter \$1,000. The annual deposit under the five year plan at age 15 is \$149.65; age 20, \$150.05; 25, \$151.25; 30, \$152.74; 40, \$157.70; 45, \$162.44; 50, \$170.34 and 55, \$182.56.

Spain New Head of Insurance Section

(CONTINUED FROM PAGE 1)

cluded with reports of committees. Tuesday was given over to ten round table discussions sponsored by the various committees. The final session was a general one, featuring Commissioner Gontrum and Congressman Randolph and election of officers.

A number of insurance executives and representatives of insurance organizations were at the sessions. Insurance Commissioner C. C. Fraizer of Nebraska was at the dinner and the meetings, as were Ernest Palmer, former Illinois insurance director, Lester F. Beck, chief of the navy insurance division, G. E. Morrissey, in charge of insurance for the army engineer corps, and H. E. Hilton, assistant manager insurance division of the U. S. Chamber of Commerce. Lieut. Col. J. H. LaBrum, Philadelphia, vice-chairman of the insurance section for the past two years, who has been promoted from major in the signal corps, was also present.

At the life insurance round table John W. Fischbach, general counsel of Minnesota Mutual Life, presented a paper on "Handling of War Death Claims Under Life Insurance Policies." This is the thorough and vigorous piece of work which he gave at the International Association of Insurance Counsel earlier this year.

"If Paul vs. Virginia falls," Mr. Gontrum declared in his address, "then our legal system as we have known it falls. No decision of the U. S. Supreme Court will have any more standing as a precedent than the opinion of any nine lawyers. No lawyer will be able to give his client any reliable advice about the law and the Supreme Court will speak as an oracle, not as a court."

Mr. Gontrum reviewed Paul vs. Virginia and subsequent cases which have upheld it and also the S.E.U.A. and Polish National Alliance cases now pending, pointing out that while the Supreme Court has extended the interstate commerce clause many times it has never deviated from Paul vs. Virginia. He also reviewed the history of state supervision and urged insurance men and lawyers to join the fight against the spread of federal bureaucracy.

Radio Used to Transmit Apps

(CONTINUED FROM PAGE 2)

to pension and other benefits. It is of the utmost importance to the dependents that they receive promptly either the allotment payments or the death benefits. But the case of the missing person occupies a doubtful status—it is not known whether he is alive or has perished.

Public law 490, approved March 7, 1942, provided for continuation of credit of pay and allowances of persons in the active service who are officially reported as missing, missing in action, interned in a neutral country, or captured by an enemy, provided they were not reported as having been absent from his post of duty without authority.

NEW ALLOTMENTS

The act provided for the continuation of allotments, or when found necessary, the establishing of increased or new allotments, for the support of dependents and the payment of insurance premiums during a period of internment in a neutral country or imprisonment as a prisoner of war, but restricted the period to a total of 12 months during which such payments could be made on behalf of a missing person whose fate should not have been definitely determined prior to the expiration of that period.

Upon the expiration of 12 months from the date the person is reported as missing, or missing in action, in the absence of an official report of death of the missing person, the head of the department concerned is authorized to make a finding of death. The law directs recovery by the department concerned of insurance premiums paid by the government subsequent to the declared date of death and unearned, and the adjustment of pay accounts when necessary by reason of the return of the person who had been carried in a missing status.

Can Continue Status

Public law 490 was amended in certain particulars by Public law 848, approved Dec. 24, 1942, the most important change being an authorization for the head of the department concerned to continue the missing person's status beyond the 12 months' period fixed by the original law, if he may reasonably be presumed to be living. The department head is authorized to make a find-

ing of death which shall include the date upon which death shall be presumed to have occurred for the purposes of termination of crediting pay and allowances, settlements of accounts, and payments of death gratuities.

Mr. McCoy said it was his observation that the departments concerned have exercised extreme care to limit findings of death to cases in which the circumstances of the disappearance impel the conclusion that death occurred. Although there will undoubtedly be a few cases of reappearance after the termination of hostilities affords access to areas now beyond reach, it is not believed that many persons reported dead under the procedure established by public law 490 will later be located.

Authority Not Limited

The provisions of public law 490 do not in any way limit or abrogate the authority of the department concerned to make official reports and findings of death whenever the circumstances of a disappearance warrant the conclusion that death occurred on about the date of disappearance. In such cases it is, of course, not necessary to delay the official report of death. In other cases, where the territory surrounding the scene of disappearance is open to search, when a careful effort fails to locate the missing person, and he disappeared under known circumstances of great peril, the conclusion that he met his death as of the date of his disappearance may be reached upon conclusion of the search.

In many cases, however, little evidence can promptly be obtained or disclosed which is very conclusive, and in such cases it becomes necessary to continue the status of missing until more complete information is available. Public law 490 authorizes the head of the department to continue payments to the dependents or to make additional provision for them during the period while the person is carried in a missing status.

Pays Only After Report

The veterans' administration does not make payment of insurance benefits until an official report of death or finding of death is made by the proper department. By reason of an amendment to the National Service life insurance act, approved Dec. 20, 1941, the determination of the date of death is of great importance in certain cases. This amendment provided that any person in the active service on or after Oct. 8, 1940, who, while in such service and prior to April 20, 1942, died in line of duty, without having in force at the time of death some form or forms of government insurance in the aggregate amount

of at least \$5,000, should be deemed to have applied for and to have been granted National Service life insurance in the sum of \$5,000, payable to certain relatives as specified in the law. In cases affected by this provision, where the person disappeared after Oct. 8, 1940, and prior to April 20, 1942, it is especially necessary that a most careful examination of the facts be made to determine the date of death, since the fixing of a date later than that specified in the law will deprive the dependents of benefits.

While it is true that the cases of missing persons present some troublesome questions and the evidence in such cases cannot always be as clear and convincing as is desirable, Mr. McCoy said he felt sure that in these cases insurers are doing and will continue to do all that is possible to meet the situation which confronts the beneficiaries of their policyholders.

Million Dollar Round Table Is Larger Than Ever Before

(CONTINUED FROM PAGE 2)

Martin I. Scott, Equitable Society, Los Angeles; Roy H. Sheldon, Equitable Life of Iowa, Los Angeles; Loren D. Stark, Connecticut Mutual, Houston; Carlton E. Stevens, Acacia Mutual, El Paso; Farish F. Talley, Acacia Mutual, Atlanta; G. Gilson Terriberry, Mutual Benefit, New York; Wayne M. Trostle, Massachusetts Mutual, Cleveland; Clem C. Tuggle, Travelers, Atchison, Kan.; Hal Van Cleve, Massachusetts Mutual, Los Angeles; David Warshawsky, Reliance Life, Cleveland; Wallace N. Watson, Mutual Benefit, Boston; Gordon Wear, Century Life, Fort Worth; Sidney Weil, Mutual Benefit, Cincinnati; Charles H. Weiss, New England Mutual, New York; Ernest C. Wheeler, Union Central, New York; Brown C. Woodbury, New York Life, San Francisco; Earl Zebely, Northwestern Mutual, Philadelphia.

Life and Qualifying—M. Lee Alberts, Equitable Society, Chicago; Dr. Charles E. Albright, Northwestern Mutual, Milwaukee; Daniel Auslander, Massachusetts Mutual, New York; Louis Behr, Equitable Society, Chicago; Robert H. Brillande, Independent, Honolulu; Robert P. Burroughs, National Life of Vermont, Manchester, N. H.; Oscar E. Carlin, John Hancock Mutual, Columbus, O.; John E. Clayton, Massachusetts Mutual, Newark, New Jersey; Lowell D. Crandon, New England Mutual, Newark; Paul H. Dunnavan, Canada Life, Minneapolis; Arthur A. Ebenstein, Union Central, Beverly Hills; H. G. Feldman, Aetna Life, Pittsburgh; S. Henry Foreman, Mutual Life, Chicago; Meyer M. Goldstein, Connecticut Mutual, New York; Henry W. Hays, Massachusetts Mutual, Rochester, New York; Royse W. Jackson, Massachusetts

LIFE REINSURANCE

North American Reassurance Co.
99 John Street Lawrence M. Cathles, Pres. New York

Mutual, Detroit; John J. Kellam, National Life of Vermont, Norwalk, Connecticut; Wallace H. King, Mutual Benefit, Lima, Ohio; Eugene M. Klein, Northwestern Mutual, Cleveland; Michael G. Kletz, John Hancock Mutual, New York; Ralph G. Lawrence, Texas Prudential Life, Corpus Christi; Maurice Linder, Travelers, New York; David Marx, Jr., Massachusetts Mutual, Atlanta; Max M. Matusoff, Mutual Benefit, Cleveland; Frank L. McFarlane, Northwestern Mutual, Cleveland; R. Clinton Meadows, National Life of Vermont, Binghamton, N. Y.; Howard Neal, Mutual Benefit, Los Angeles; Lowell L. Newman, Penn Mutual, Fort Wayne; Robert C. Newman, independent, St. Louis; A. J. Ostheimer, III, Northwestern Mutual, Philadelphia; Harold S. Parsons, Travelers, Los Angeles; Roderick Pirnie, Massachusetts Mutual, Providence; Jules J. Polachek, New England Mutual, Pittsburgh; Charles E. Purdy, Jr., independent, Minneapolis; Frank G. Rollinger, independent, Sioux Falls; H. Ben Ruhl, Northwestern Mutual, Detroit; Jacob W. Shoul, Mutual Life of New York, Boston; Harry Steiner, Equitable Society, Chicago; Ron Stever, Equitable Society, Los Angeles; Henry C. Stockman, New England Mutual, Newark, New Jersey; John O. Todd, Northwestern Mutual, Chicago; Malcolm D. Vail, Northwestern Mutual, Chicago; Russell C. Whitney, Connecticut Mutual, Chicago; Harry T. Wright, Equitable Society, Chicago.

Life—C. Vivian Anderson, Provident Mutual, Cincinnati; Herman A. Binder, State Mutual, Los Angeles; Maurice A. Blate, Mutual Benefit, Flushing, N. Y.; W. Lester Brooks, Jefferson Standard, Charlotte, N. C.; Philip F. Broughton, independent, New York; Manning P. Brown, Equitable Society, Philadelphia; Robert A. Brown, Pacific Mutual, Los Angeles; Lloyd H. Bunting, Equitable Society; William H. Burns, independent, Philadelphia; Thomas K. Carpenter, Northwestern Mutual, New York; Paul F. Clark, John Hancock Mutual, Boston; Capt. Dana C. Clarke (in service), independent, New York; Charles E. Cleeton, Occidental Life, Los Angeles; Ralph L. Colby, Franklin Life, Indianapolis; Paul W. Cook, Mutual Benefit Life, Chicago; William O. Cord, Fidelity Mutual, Dayton; Reuben U. Darby, Massachusetts Mutual, Baltimore; Harry I. Davis, Massachusetts Mutual, Atlanta; Arthur K. Deutsch, State Mutual, San Francisco; M. J. Donnelly, Equitable Society, New Castle, Pa.; R. W. Dozier, Massachusetts Mutual, Oklahoma City; William M. Duff, Equitable Society, Pittsburgh; Herman Duval, Northwestern Mutual, New York; William T. Earls (navy), Connecticut Mutual, Cincinnati; Julius M. Elsendrath, Guardian Life, New York; Gerald A. Eubank (in service), Prudential, New York; Frank B. Falkstein, Aetna Life, San Antonio; Cecil Frankel, Equitable Society, Los Angeles; J. Douglas Freeman, Equitable Society, Baltimore; Leopold V. Freudberg, Massachusetts Mutual, Washington, D. C.

Also Adolph E. Gillman, Northwestern Mutual, Baltimore; Fred S. Goldstandt, Equitable Society, New York; Richard E. Hanley (in service), Equitable Society, Chicago; Capt. Thomas D. Harvey (air corps), Mutual Life, New York; Max Hemmendinger, Mutual Benefit, Newark; Sam S. Herwitz, Mutual Life, Cincinnati; Walter N. Hiller, Penn Mutual, Chicago; Isidor Hirschfeld, New England Mutual, New York; Mrs. Sis Hoffman, Union Central, Cincinnati; J. Frank Holmes, independent, Indianapolis; Albert Hopkins, Penn Mutual, New York; J. D. E. Jones, Equitable Society, Providence; Samuel Kahl, Penn Mutual, Chicago; Charles G. Keehner, Massachusetts Mutual, Oakland; I. Austin Kelly, III, Fidelity Mutual, New York; Isaac S. Kibrick, New York Life, Brockton; Frank J. Koors, independent, Minneapolis; George E. Lackey, Massachusetts Mutual, Detroit; Herman Lasker, Mutual Life, Eau Claire, Wis.; Jack Lauer, independent, Cincinnati; Felix U. Levy, Penn Mutual, New York; Edwin M. Lillis, Northwestern Mutual, Erie; John R. Mage, Northwestern Mutual, Los Angeles; Rowland F. Mellor, Mutual Benefit, New York; Sigourney Mellor, independent, Philadelphia; Capt. William B. Monroe (in service), Union Central, New Orleans; Comm. Henry G. Mosler (in service), Massachusetts Mutual, Los Angeles; H. Kennedy Nickell, Connecticut General, Chicago; Francis R. Olsen, Northwestern Mutual, Minneapolis.

Also Victor F. Petric, Constitution Life, Los Angeles; Capt. Harry Phillips (in service), Penn Mutual, New York; Phinehas Prouty, Jr., Connecticut Mu-

tual, Los Angeles; Tom B. Reed, Great Southern Life, Oklahoma City; Joseph H. Reese, Penn Mutual, Philadelphia; Harold L. Regenstein, Massachusetts Mutual, New York; Theodore M. Riehle, Equitable Society, New York; Lester A. Rosen (in service), Union Central, New York; Louis G. Rude, Mutual Benefit, Newark; Lt. Sidney Salomon, Jr. (in service), Equitable Society, St. Louis; Paul C. Sanborn, independent, Boston; William E. Sander, Mutual Life of New York, Seattle; Robert Sanders, Business Men's Assurance, San Diego; George H. Schumacher, Massachusetts Mutual, Cleveland; Julian W. Schwab, Indianapolis Life, Indianapolis; Thomas M. Scott, Penn Mutual, Philadelphia; Albert M. Sheldon, independent, Minneapolis; Marvin Sherman, Equitable Society, Los Angeles; Lawrence E. Simon, Massachusetts Mutual, New York; Leon Gilbert Simon, Equitable Society, New York; Caleb R. Smith, Massachusetts Mutual, Asheville, N. C.; Stuart F. Smith, Connecticut General, Philadelphia; Samuel Soforenko, New York Life, Providence; Lisle A. Spencer, Equitable Society, Youngstown; George W. Stewart, Penn Mutual, Pittsburgh; James M. Stokes, New England Mutual, Philadelphia; J. E. E. Sweeney, Equitable Society, Wheeling; Bruce Sweet, State Mutual, Buffalo; Grant Taggart, California-Western States, Cowley, Wyo.; Dix Teachener, Kansas City Life, Kansas City; Stanley F. Transue, Penn Mutual, Bethlehem, Pa.; Sam R. Weems, Minnesota Mutual, McAllen, Tex.; Simon D. Weissman (in service), Equitable Society, Boston; Theodore Widing, Provident Mutual, Philadelphia; J. Hawley Wilson, Massachusetts Mutual, Oklahoma City; Harry E. Wuertenebaecher, Penn Mutual, St. Louis.

Some Firms Not Waiting for O. K.

(CONTINUED FROM PAGE 3)

tinue under normal peace time earning conditions and taxes.

The suggestion has been advanced that a combination plan be used, the corporation buying a substantial program of life insurance and as much pension as it can expect to pay for under normal conditions and then set up a trust company plan which would not guarantee anything but into which the corporation could put such extra earnings as it could under present conditions readily afford to contribute toward pensions. In this way the life insurance and a good part of the pensions would be on a guaranteed basis as a minimum and whatever additional the corporation could afford would be available through the trust company part of the plan, but the latter could be modified very readily in the event of lowered earnings.

War Has Impact on Group Insurance

(CONTINUED FROM PAGE 3)

will a part of the employment relationship which is the group plan.

Most court cases apparently have accepted the view that the very act of striking is a termination of employment, but recently in a case involving suit against the insurer and the employer to recover for death occurring after employee stopped work on strike, the court found in favor of the insurance company but held the employer liable to damages for wrongfully cancelling the insurance. The court's argument was that while a strike is in progress strikers are still employees of the company according to authorities based on the Wagner act. "If this case is sound, employers may be held liable for the insurance benefits not only of strikers, but also for those of employees who may at some time claim to have been discharged for unfair labor practices. The employer may thus carry a continuing liability for a rather indefinite period.

"With respect to the enforcement of the Wagner act by the National Labor Relations Board itself, group insurance has definitely been considered a part of the employment relationship. Where,

under the terms of the act, the board has required the reinstatement of an employee discharged for union activities, it has required also the restoration of group insurance for the employee." This action has been upheld by the courts.

For the purposes of the fair labor standards act, however, group insurance premiums are not considered as compensation for employees. Employer contributions have been considered in computing overtime compensation required by the act as similar to compensation paid for absences caused by illness or holidays and are regarded by the wage and hour division as "compensation for hours not worked." For the purposes of the wage stabilization regulations group insurance premiums are not considered as salary or wages.

Ralph H. Kastner, associate counsel American Life Convention, as chairman of the life insurance law committee arranged the program and presided at the round table.

Possibilities in Pension Trust Field Not Exhausted

(CONTINUED FROM PAGE 3)

records from him of all the various employees brackets and classifications, and then submit alternative classifications showing the low net cost of a broad plan.

If a plan is limited to persons receiving in excess of \$3,000 a year, the Treasury will deem it proper only if coordinated with social security, considering such benefits for those employees at a maximum of 150% of the primary insurance benefit. A rule of thumb applicable is laid down by IT 3613-5 covering salaried employees earning more than \$3,000 with one year of service. A benefit of $\frac{3}{4}$ of 1% for past service to Jan. 1, 1937, is doing the same as social security because social security does not go back beyond that date. Future service at 1%, providing 26% of compensation for employees in their 50s and 34% for employees in their 20s, was not objectionable. IT 3614 limited a \$3,000 over 5 years service to 30% compensation provided no one got more than 23% plus $\frac{1}{4}$ of 1% of each year for future service. A rule may be stated that the limit is 30% for ages 45 or under, 27 $\frac{1}{2}$ % for ages 45-55 and 25% for ages over 55, with a maximum minimum benefit of \$20 a month.

Funding the Policy

Vesting of complete ownership in the policy is considered important by the Treasury, in the favorable consideration of a plan. It may provide, in event of termination that the benefits are not cashable, but may be held until he dies or retires.

An employee's salary may be increased by whatever the premium amount is necessary to fund the policy, contrary to the belief of some that it is limited to 5%, which couldn't even give social security benefits in many cases. The contribution will be approved if it qualifies under (iii) when the funding is distributed over a 10 year period.

Where an employee is beneficiary under a combined pension and profit sharing plan, the total contribution can't exceed 25% of compensation, but where he is a beneficiary under a pension plan only, the 25% limit does not apply.

Under profit sharing plans, unlike pension plans, contributions are limited to 15%. Pension plans when qualifying under 165a are exempt under salary stabilization while profit sharing plans are not.

Mr. Simons cited as an example the case of an advertising agency which desired to hold a \$11,000 employee. By increasing his salary to \$20,000, the employee would net roughly only an additional \$4,000. If a pension trust were in effect, the firm could put in \$3,000 and give the employee as much insurance and retirement benefits as the \$9,000 increase would buy.

Mr. Simons was asked whether 10% of excess profits tax were not returnable after the war. A 10% refund will be

Mutual Life Field Club Officials for Year Announced

Jacob W. Shoul of Boston not only has earned the president of Mutual Life's Field Club by leading all field men in volume of new business during the club year, but already he has qualified for membership for next year. Mr. Shoul has been a member of the club every year beginning one year after he joined the company in 1916, with the exception of 1918-1919, when he was in the Army. Vice-president of the Field Club for the northeast division is Louis Meister of Hartford. Vice-president for the middle Atlantic division is Edward J. Riley of Newark. E. A. Hyman of Baltimore is vice-president for the southeast division. J. Dudley Miller of Chicago is vice-president for the east north central division. Vice-president for the east central division is Sam S. Herwitz of Cincinnati. Vice-president for the west central division is A. B. Fisch of the St. Paul agency. H. W. Rooker of the Salt Lake City agency is vice-president for the western division. Vice-president of the Field Club for the women's division is Mrs. Eunice C. Bush of the New Orleans agency, who earned the same honor last year.

paid at an unspecified time in unspecified form, most likely in the form of a tax credit. Firms are providing a reserve for their post war credit equal to the refund. Congress has decided that 1936-39 are the normal years for normal profits with 1939 closest to normal. To be conservative, the best plan is to calculate profits on the 1939 basis.

Modification of Plans

Any existing plan may be modified up to Dec. 31, 1943. There has been agitation by some in favor of a longer period to get existing plans into line. One of the biggest pension trust operators said that he is spending his entire time fixing up plans already in effect.

The chief test in discontinuance would be business necessity. It would not be safe to discontinue just after the top men have all been paid up.

Although a plan may provide for the termination of rights, Mr. Simons said he advised against it. He likes to see an independent trustee rather than the president of the corporation appointed for a similar reason.

Mr. Goldstandt referred to the fact Equitable Society had recently entered the pension trust field, in introducing Mr. Simons. Equitable Society will not accept pension trust business from brokers unless one of its agents has an interest in the case, he stated.

Opportunity to Write Insurance for Families

With so many different members of a family being employed these days, there is a new market open to men selling life and accident insurance especially because the family exchequer is greatly enlarged. There is a demand for boys and girls, 12 years of age, for example. Anyone who is able to work can get a job at a very adequate compensation. Therefore unemployment is practically wiped out for the time being. With all the members of a family at work or at least most of them, there is an opportunity to tap this new source. Many companies issue so-called family policies, writing all members of the group.

Grimes on Agency Committee

John Grimes, agency secretary of Bankers Life of Des Moines, has been appointed on the agency committee. Others on the committee are W. F. Winterble, director of agencies, chairman; W. W. Jaeger, vice-chairman of the board; E. M. McConney, vice-president, and M. E. Lewis, superintendent of agencies.

LEGAL RESERVE FRATERNALS

Section Programs of N.F.C. Ready

Programs for several section meetings of the National Fraternal Congress at its annual meeting in Cleveland next month were announced this week. These sections and several allied organizations will meet Sept. 28. In the past the Fraternal Field Managers Association has held its annual gathering on the Sunday preceding the convention, usually having morning, afternoon and evening sessions packed with round table discussions of field problems, sales methods, and so forth. This year the field managers will meet the afternoon of Sept. 28. It is likely most if not all of the sections will adjourn their meetings that day to attend the managers' session.

Attorneys to Meet

The law section will meet Tuesday morning with Edmund S. Cummings, Jr., general counsel Catholic Order of Foresters, Chicago, the president, in the chair. John Riordon, general counsel Fidelity Life, Morrison, Ill., is vice-president, and Richard F. Allen, general counsel Standard Life, Topeka, secretary-treasurer. Mr. Allen, however, will miss the meeting for the first time in many years due to being in the service. The program is:

President's address, Edmund S. Cummings, Jr.

Report of secretary-treasurer for and on behalf of Richard F. Allen, by the president.

Address, Benjamin Ross, general counsel Equitable Reserve, Milwaukee.

Address, John A. Riordon, general counsel Fidelity Life, Morrison, Ill.

Forum pertaining to 60 bills affecting fraternal life insurance recently passed by various state legislatures.

Election of officers.

According to custom, it is anticipated Vice-president Riordon will be elected president and a substitute for Secretary Allen also will be named.

Norton J. Williams, N.F.C. president and head of Equitable Reserve, Neenah, Wis., and Mrs. Grace W. McCurdy, head of Royal Neighbors, Rock Island, Ill., N.F.C. vice-president, probably will address the press section meeting which as usual will be initiated at a breakfast. The program is:

Press Section Speakers

Press breakfast, 8:30 a. m.

Greetings, Henry DeVille, Sr., president Ohio State Fraternal Congress.

Welcome, Louis Seltzer, editor Cleveland "Press."

Addresses by Norton J. Williams, president, and Mrs. Grace W. McCurdy, vice-president, National Fraternal Congress.

Address, Milo D. Zimmerman, secretary

Kable Brothers, Mount Morris, Ill., "The Paper Crisis."

Address, Harold D. Allen, editor "Fidelity Topics," Fidelity Life, Fulton, Ill.

Address, Mrs. Venus English, editor woman's page, Woodmen of the World, Omaha, "Children's Reading during War."

Address, F. B. Mallett, editor Protected Home Circle, Sharon, Pa., "Editorials in Fraternal Magazines."

Election of officers.

Mrs. Myrtle E. Schoessel, Royal Neighbors, Rock Island, is president; Harold Allen, Fidelity Life, Fulton, Ill., vice-president, and Mrs. Mary Baird, Woman's Benefit, Port Huron, Mich., secretary. According to custom, Mr. Allen probably will be elected president at Cleveland.

Plans for Secretaries

It is likely that Mrs. Clara B. Bender, national secretary Degree of Honor Protective, St. Paul, vice-president, will be elevated to president of the secretary's section at Cleveland. Thomas R. P. Gibbs, secretary Order of Scottish Clans, Boston is past president; Oscar A. Kottler, recorder Artisans Order of Mutual Protection, Philadelphia, president, and Miss Erna M. Barthel, recorder of Royal Neighbors, Rock Island, Ill., secretary-treasurer. Miss Barthel is expected to be reelected to her post. The secretaries section program is:

Greetings, Norton J. Williams, president; Mrs. Grace W. McCurdy, vice-president, and Foster F. Farrell, secretary-treasurer and manager, N. F. C.

"New withholding taxes, social security taxes and other federal government taxes covering home office and subordinate lodge employees," LeRoy G. Stohman, secretary Aid Association for Lutherans, Appleton, Wis.

"Office Administration Problems Resulting from the War," W. C. Braden, secretary Woodmen of the World, Omaha.

Address, Mrs. Susan Matuscak, secretary First Catholic Slovak Ladies Union, Cleveland.

"The Importance of Fidelity Bonds on

Financial Officers of Subordinate Bodies," Albert W. Sparrow, Jr., superintendent fidelity department, Fidelity & Deposit, Baltimore.

"Fraternalism and the Changing Social Order," Norman E. Patrick, secretary, Catholic Knights, St. Louis.

Report of secretary-treasurer, Miss Erna M. Barthel.

Election and installation of officers.

Reports of committees.

The presidents section program is announced by Mrs. Grace W. McCurdy, head of Royal Neighbors, Rock Island, Ill., the president. Norton J. Williams, N.F.C. president is section vice-president and is expected to be elevated to president. Mrs. Minnie Hiner, Neighbors of Woodcraft, is second vice-president and probably will become first vice-president. Stephen A. Oscar, National Mutual Benefit, secretary-treasurer, is in line to become vice-president. The program is:

Morning Session

Invocation, S. H. Hadley, president Protected Home Circle.

Greetings, N. J. Williams, president of N.F.C. and Henry V. DeVille, president Ohio State Fraternal Congress.

Response, S. A. Oscar, president National Mutual Benefit.

Appointment of committees.

"Recruiting and Compensating Field Workers," general discussion led by Walter C. Below, president Fidelity Life, Fulton, Ill.

Report of secretary-treasurer.

"Non-medical Selection of Risks," general discussion led by Oscar E. Aleshire, president Modern Woodmen, Rock Island, Ill.

Afternoon Session

Reports of committees.

Address, "Price Control and Its Effect Upon Inflation," Louis Lancaster, Office of Price Administration, Washington.

Election and installation of officers.

John C. Phillips, Modern Woodmen, president of the Fraternal Field Managers Association, announced the program for the afternoon and evening round table sessions on field problems and methods Sept. 28. Fred A. Johnson, Royal League, Chicago, is vice-president and is expected to advance to president. N. K. Neprud, Lutheran

Brotherhood, is secretary-treasurer. The program is:

Afternoon Session—3 p. m.

Greetings from N.F.C., President Norton J. Williams.

Welcome of members and guests.

"The Responsibilities of Management Under Today's Conditions," Paul Speicher, managing editor Insurance Research & Review.

"Fraternal Field Representatives—Children of Destiny," Sterling C. Holston, assistant field manager Woodmen of the World, Omaha.

Evening Session—8 p. m.

Business session, including election and installation of officers, reports of committees, general business, etc.

Meeting of executive committee.

Eagles' Insurance Division Reinsured by Empire State

The insurance department of the Fraternal Order of Eagles, Kansas City, Mo., is being reinsured and taken over by Empire State Mutual Life, Jamestown, N. Y. The reinsurance deal was approved at the annual meeting of the Eagles in Chicago which was attended by President M. O. Doolittle of Empire State, P. E. Tumblety, first vice-president, and W. H. Fletcher, general counsel. Conrad H. Mann, board chairman of the Eagles insurance department and past-president and managing organizer of the society, represented it in the negotiations.

Insurance in force of Empire State will be increased about 20% by the merger and assets will be approximately doubled, or in the neighborhood of \$2,000,000.

Matthews Continues Head of Knights of Columbus

Francis R. Matthews, Omaha, was reelected head of Knights of Columbus

SERVING

THE American people in over 8,000 camps distributed through 44 states.

MUCH of our more than \$136,000,000.00 assets is invested in Federal, State and Municipal Bonds.

WOODMEN OF THE WORLD LIFE INSURANCE SOCIETY Home Offices—Omaha, Nebraska



"The perfect match — they'll be the happiest couple in the world."

"On the contrary, that marriage is headed for the rocks already."



There you have it—this typically American difference of opinion on men, problems, and things. It's a precious American tradition, this right to express and act upon one's own opinion.

This same freedom of action and choice is appreciated by your average life insurance buyer. He resents high pressure. He likes to feel that he has a wide choice of life insurance plans from which to select. For such a buyer, Fidelity Life Association can provide "Just the Right Plan" to which can also be added hospitalization, accident, and disability, all conveniently packaged in one contract, one premium.

FIDELITY LIFE ASSOCIATION

HOME OFFICE — FULTON, ILLINOIS
LIFE ACCIDENT DISABILITY HOSPITALIZATION

WE WRITE LEGAL RESERVE LIFE INSURANCE FOR MEN, WOMEN, AND CHILDREN

A Policy to Fit the Need—
A Rate to Fit the Purse

INQUIRIES FROM PROSPECTIVE AGENTS INVITED
STANDARD LIFE ASSOCIATION

HOME OFFICE FOUNDED IN 1890 LAWRENCE, KANSAS

MEMBERS
131,789

SUPREME FOREST
WOODMEN CIRCLE

DORA ALEXANDER TALLEY
President
HOME OFFICE: OMAHA, NEBRASKA

THE WOMAN'S BENEFIT ASSOCIATION
Founded 1892

A Legal Reserve Fraternal Benefit Society
Bina West Miller Frances D. Partridge
Supreme President Supreme Secretary
Port Huron, Michigan

at the annual meeting of the supreme council in Cleveland. He has headed the society for two terms. Mr. Matthews is a prominent attorney under whose administration K. of C. life insurance sales methods have been modernized, production in the field being placed on a general agency basis and a large field staff developed. He is active in the National Fraternal Congress, having been a member of the executive committee and serving on other committees.

Leo M. Flynn of Chicago was elected supreme treasurer. Joseph F. Lamb is supreme secretary in the executive office at New Haven, Conn.

Catholic Family Observes Its 75th Anniversary

Catholic Family Protective of Milwaukee is celebrating its 75th anniversary, and has published a special brochure commemorating the event. John Traudt was the first president and Joseph Baldauf the secretary. Societies operating in Holy Trinity church, St. Mary's church and St. Joseph's church of Milwaukee formed the nucleus of the society. This fraternal was founded by pioneer Catholics as the first Catholic life insurance society in the country and, it is represented, was the first life insurance society to operate on a fixed premium basis, first to operate on a reserve basis, in 1869 was the first to report an accumulated reserve, and in 1870 the first to pay death benefits on lives of women. It provided whole family protection in 1880, adopted graded premiums according to ages of members in 1887 and in 1901 it is claimed was the first life insurance society to put rates and reserves on full legal reserve basis. In 1916 it was the first Catholic society to pay dividends to members, according to the brochure, and in 1938 provided educational endowments for Catholic education for children and standardized death benefits of benevolent societies by an underwriting agreement. Membership has grown to 14,605 and insurance in force is \$9,167,500. The society has a fine new home office in the heart of the Milwaukee financial district.

Decide to Hold Meeting

The executive committee of the Nebraska Fraternal Congress at a meeting called to consider abandonment of the annual meeting because of transportation difficulties, found few if any delegates would go from western Nebraska, but decided to hold the meeting in Omaha Oct. 12 as originally planned. Guy D. Kirk, Omaha, is president.

N.F.C. Membership Now 105

Total membership of the National Fraternal Congress has risen to 105 societies, it was announced by President N. J. Williams, who is head of Equitable Reserve, Neenah, Wis. This is the high point in the organization's 57 years. It is anticipated by the time of the annual meeting in Cleveland late in

September the membership will have increased to about 115 societies. The present membership includes societies having an aggregate of more than 7,000,000 members and combined assets of about \$1,125,000,000.

Packard Equitable Reserve Trustee

Samuel N. Packard of Neenah, Wis., has been elected a trustee of Equitable Reserve to fill the position left vacant by the death of J. Earle Brown of Lansing, Mich.

Mr. Packard is president of National Manufacturers Bank of Neenah, a member of the finance committee of Equitable Reserve, director and vice-president of Universal Motors Company. He is a trustee and member of the executive committee of Ripon College, and a trustee and vice-president of the board of Wayland Academy.

J. D. Sells, Woodmen of the World, Omaha, has been awarded the F. I. C. degree by the Fraternal Field Managers Association.

Army Honors Lincoln Life Men for Double Duty Work

Employees of Lincoln National Life were honored by the Army at a public ceremony in recognition of extra work performed by Fort Wayne business men at the Casad Army Ordnance Depot near Fort Wayne.

Forty of the 70 men who were honored for having spent 50 or more spare hours helping out at the ordnance depot were home office employees of Lincoln National. "Double Duty" lapel buttons were presented to these workers by Col. C. D. Wiman of Washington, from the office of chief of ordnance.

By working evenings and week-ends, these workers have been filling a need created at the ordnance depot by occasional peak loads resulting from emergency movements of material. The Fort Wayne plant is the first in the country to have solved this problem successfully.

E. L. Shinnick, head of the Royal Union department of Lincoln National, received an honorary award for his supervisory services in devising work schedules and detailing men to them.

The ceremony, which was staged in the entrance plaza of Lincoln National, was the first such affair to be held by the War Department.

M. A. Weaver of Lincoln National made the acceptance speech in behalf of the workers.

L. A. A. Committees Named

The committees for the annual meeting of the Life Advertisers Association at the Hotel Pennsylvania, New York, Oct. 19-21 have been announced as follows:

C. Russell Noyes, Phoenix Mutual, general chairman; Albert F. Randolph, Penn Mutual, chairman exhibits committee; Colin Simkin, Travelers, chairman publicity committee; Richard

Soldiers Social Security Should Be Treated Alone

WASHINGTON — Separate legislation to deal with social security rights and benefits for men and women in the armed services will be proposed by Senator Vandenberg of Michigan, without awaiting Congressional consideration of the administration's over-all social security program for civilians as well as service persons.

"I am particularly interested at the moment," said Senator Vandenberg, "in those sections of the plan that deal with soldiers in regard to unemployment insurance and old-age pensions." The senator is a member of the finance committee which will handle any legislation on the subject.

"As for the rest of the administration program, which contemplates security from the cradle to the grave, I agree that certain expansions in the social security act are indispensable as a part of our postwar economy, but the magnitude of the Wagner scheme precludes snap judgments and requires a long and searching study.

"Furthermore, I object to any approach to the problem of postwar security which is not primarily based on the release of American private enterprise to provide full employment in the traditional American way. We cannot substitute paternal government for healthy business as an American economic reliance unless we are prepared to substitute socialism for democracy in the United States."

Rhodebeck, U. S. Life, chairman entertainment committee.

Other members of the committee are: H. A. Richmond, Metropolitan; Z. Starr Armstrong, Republic National; F. J. O'Brien, Franklin Life; J. E. Chandler, Sun Life of Canada; James R. Adams, Liberty National; Clyde W. Fuller, Connecticut General; Miss Margaret Divver, John Hancock; Henry M. Kennedy, Prudential; George H. Kelley, New York Life.

The theme of the conference is "Meeting Today's Problems—Planning for Tomorrow."

Novel Advertising Idea

When Sam Stone, general agent in Peoria of Franklin Life, went to Springfield for the home office picnic, he left a note on the door saying: "Office closed for the day . . . gone fishing. This is what an annuity will do for you."

The Unique Manual-Digest's showings of incomes payable cover practically all life insurance in force today. \$5.00 from National Underwriter.

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LEASES APPRAISALS
BIRMINGHAM, ALABAMA

ENJOY THE BEST FOOD IN ST. LOUIS
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ALL ROOMS NOISE-PROOFED
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Established in 1865 by David Parks Fackler
FACKLER & COMPANY

Consulting Actuaries
8 West 40th Street New York

Consulting Actuaries
Auditors and Accountants
Wolfe, Corcoran and Linder

116 John Street, New York, N. Y.

PENNSYLVANIA

FRANK M. SPEAKMAN
CONSULTING ACTUARY

Associate
E. P. Higgins
THE BOURSE PHILADELPHIA

★ ★ ★ ★ ★
OUR CONTRACT PROVIDES FOR OVERHEAD EXPENSES
(For The Qualified Producer)

We Have a Kit of Up-to-date Policies.

General Agency openings are available in Arkansas, Iowa, Missouri and Nebraska. For further information write to our Agency Department.

MUTUAL SAVINGS

MISSOURI'S FIRST WHOLLY MUTUAL LEGAL RESERVE COMPANY
Life Insurance Company

3207 Washington Boulevard, St. Louis, Missouri
Allen May, President



This eternal principle has brought together the free peoples of the United Nations to overthrow an infamous enemy who would enslave the world, and has created an unbeatable alliance which will become the guardian of that higher civilization all men of good will seek for themselves and their children's children.

More than 70 years ago this principle of collective co-operation drew together those who founded the Sun Life Assurance Company of Canada. They knew that men, like nations, can best protect each other by pooling risks and uniting resources to meet them.

SUN LIFE OF CANADA
Assures Security

United Life and Accident Insurance Company

Concord, N. H.

Representatives

have something unusual to sell. Ask the man who owns a United Life and Accident Insurance contract which contains:

1. Life Insurance
2. Double Indemnity
3. Triple Indemnity
4. Non-cancellable Accident Insurance
5. Waiver of Premium

Territory Available for New General Agencies in Pennsylvania and Delaware

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WILLIAM D. HALLER
Vice President and Agency Manager
Concord, N. H.

Security Life and Accident Company

Home Office
DENVER, COLORADO

"An Old Line Legal Reserve Life Insurance Co."

Also Features

**NON-CANCELLABLE GUARANTEED RENEWABLE
ACCIDENT AND HEALTH CONTRACTS**

ATTRACTIVE AGENCY OPPORTUNITIES
W. LEE BALDWIN
President

LIFE INSURANCE DOLLARS

The story of Life Insurance Dollars in the Nation's fight for human rights is almost as dramatic as any conflict on the field of battle.

These dollars were ready and will continue to be ready, because of the legal reserve plan of life insurance instituted many years ago by the business leaders of our Nation.

These dollars were available in large quantities when needed most because of the American System which has been so outstandingly successful throughout the years in selling large volume of legal reserve life insurance.

These dollars were ready when the Nation mobilized its financial assets because of the wise and careful management of the Officials of legal reserve life insurance companies.

Great Southerners are justly proud of their part in making successful the "Life Insurance Dollars' Flight for Human Rights," and join all other legal reserve companies in a pledge to continue to fight for Human Rights. This has always been our goal.



GREAT SOUTHERN LIFE INSURANCE COMPANY

E. P. Greenwood, President

Home Office

Houston, Texas

LIFE

SELL THEM WHAT
THEY WANT

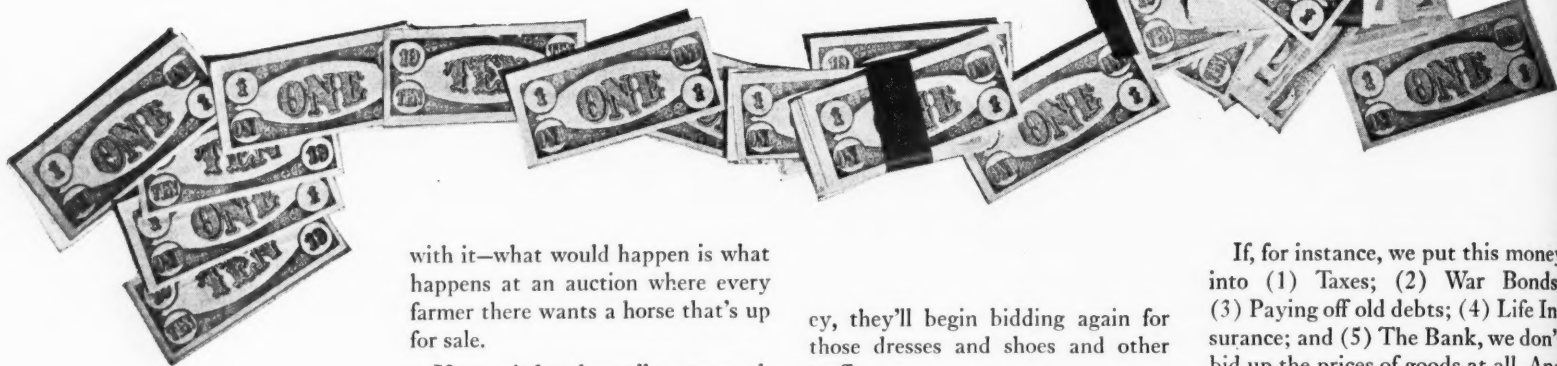
ACCIDENT

HEALTH

Sell the public what it wants—complete personal protection. You can build a good volume with the Federal Life and Casualty's accident—health—life protection for both men and women and juvenile life for children. Territory open in 30 states.

FEDERAL LIFE AND CASUALTY CO.
DETROIT - - MICHIGAN

IF YOU'RE MAKING MORE MONEY ...WATCH OUT!



WE WANT TO WARN YOU, before you read this page, that you've got to use your head to understand it.

We also want to warn you that—if you don't bother to read it carefully enough to understand it—you may wake up after this war as poor as a church mouse.

This year Americans are going to make—minus taxes—125 billion dollars.

But this year, we civilians are not going to have 125 billion dollars' worth of goods to spend this on. We're only going to have 80 billion dollars' worth. The rest of our goods are being used to fight the war.



That leaves 45 billion dollars' worth of money burning in our jeans.

Well, we can do 2 things with this 45 billion dollars. One will make us all poor after the war. The other way will make us decently prosperous.

This way the 45 billion dollars will make us poor

If each of us should take his share of this 45 billion dollars (which averages approximately \$330 per person) and hustle out to buy all he could

with it—what would happen is what happens at an auction where every farmer there wants a horse that's up for sale.

If we tried to buy all we wanted, we would bid the prices of things up and up and up. Instead of paying \$10 for a dress we're going to pay \$15. Instead of \$5 for a pair of shoes we're going to pay \$8.

Despite the fact that there aren't any more dresses or shoes or anything else than there were before, we're going to be suckers and pay a lot more for them.



Now listen closely:

The bidding for scarce goods is going to raise prices faster than wages. Wages just won't keep up.

So what will people do?

U. S. workers—whether they're laborers or white-collar workers—will ask the boss for more money. Since



labor is scarce, a lot of them will get it. And farmers and business men who feel the pinch are going to ask more money for their goods.

Well, the minute these people—that means maybe you and plenty of your friends and neighbors—get this mon-

ey, they'll begin bidding again for those dresses and shoes and other stuff.

And the prices will go *still higher*. And the majority of us will be in that same old spot again—only worse.



This is what is known as Inflation. And inflation has occurred—to a greater or less degree—during every war period. And in every case on record the people have been left holding the bag!

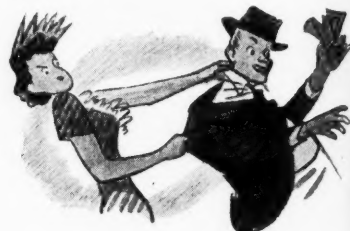
Our government is doing a lot of things to keep prices down... rationing the scarcest goods, putting ceiling prices on things, stabilizing wages, increasing taxes. But the government can't do the *whole* job. So let's see what *we* can do about it.

This way the 45 billion dollars will make us prosperous

If, instead of running out with our extra dough, and trying to bid on everything in sight, we buy only what we absolutely need and do some other things that aren't fun, we will come out all right.

If, for instance, we put this money into (1) Taxes; (2) War Bonds; (3) Paying off old debts; (4) Life Insurance; and (5) The Bank, we don't bid up the prices of goods at all. And if besides doing this we (6) refuse to pay more than the ceiling prices; and (7) ask no more for what we have to sell—no more in wages, no more for goods—*prices stay where they are now*.

And we pile up a bank account. We have our family protected in case we die. We have War Bonds that'll make the down payment on a new house after the war, or help us retire some day. And we don't have taxes after the war that practically strangle us to death.



Maybe, doing this sounds as if it isn't fun. But being shot at up at the front isn't fun, either. You have a duty to those soldiers as well as to yourself. You *can't* let the money that's burning a hole in your pocket start setting the country on fire.

This advertisement, prepared by the War Advertising Council, is contributed by this magazine in co-operation with the Magazine Publishers of America.

KEEP PRICES DOWN!

Use it up
Wear it out
Make it do
Or do without